

INSIDE: THE SILENCE OUT OF SOUTH AFRICA

Maclean's

JUNE 30, 1986

CANADA'S WEEKLY NEWSMAGAZINE

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Why the Boss Steals

**The Stunning Rise in
White-Collar Crime**



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Maclean's

JUNE 30, 1986 VOL. 10 NO. 26

COVER

Why the boss steals

An increasing number of Canadian professionals have turned white-collar crime into big business. Prompted by greed and treated leniently by the courts, white-collar criminals have largely evaded punishment. Despite growing concern in North America, Canada is only beginning to combat the growing problem. —Page 22

COVER ART BY JACQUES GIL



A new bid for freedom

Canadian Bruce Curtis is serving a 30-year sentence for manslaughter to a U.S. prison. But now, Ottawa has pledged to hasten a clemency plea for his release. —Page 26



A magician entranced

In *Miró in Montreal*, works by Joan Miró, one of the most original and exciting artists of the century, have charmed the eyes of experience from visitors' eyes. —Page 49



The doctors raise the stakes
Ontario doctors broadened their strike over legislation banning euthanasia in the face of Liberal Premier David Peterson's government passing the law. —Page 6



Some dogs are out of luck
Marie Skala, author of *Some Men Are More Perfect Than Others*, had to persuade her dog to give up the "Hr" pillow when a new man entered her life. —Page 48

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Free trade slogans

As an American consumer, I applaud the measures Canada has taken in response to the duties the United States placed on Canadian cheese and shrimp ("Conflicting signals," Chalmers, Jan. 11). Protectionism makes the local consumer pay higher prices to compensate competitors for their business agreement and those members for their bloated contracts. It protects the inefficiency and greed of these in politically powerful industries and ensures I can only hope that every country hurt by our protectionist measures will seek it to an end! We learn to take our free-market diagnosis seriously.

—MICHAEL J. FOX,
Madison, Wis.

President Ronald Reagan effectively acknowledged his pal Prime Minister Brian Mulroney when he approved the tariff agreement on shrimp and shrimps. However, we should not be surprised that he put the politics before friendship. This being a madhouse congressional election year in the United States, politics will always be uppermost in the President's mind. Undoubtedly, Reagan will still claim to be all for free trade—but only so long as it puts America first.

—JAN CHICKLEY,
Toronto

A balanced arrangement

Your article "Borrowing to Blast Coast Fisheries" (Business Economy, May 19) implied that Fisheries and Oceans Minister Thomas Mulcair gave in to black-market tactics when he transferred quotas from the offshore to the inshore fishing sector in southwestern Nova Scotia. A



Anguish as surprise

number of people in industry and government had gone to some trouble to give Mulcair's a full account of what was admittedly a complex operation. I would like to outline key elements of the quota transfer which you chose not to mention. National Sea Products Ltd was not the only offshore company from which a fish quota was transferred, although it did provide the greatest share. National Sea Products was compensated with quotas from other fish stocks and species, as were other offshore companies, and the inshore sector, in return for this transfer, is compelled to introduce measures to improve the quality of the fish it lands. These facts show that the transfer was a much more balanced arrangement than Mulcair's implied.

—STILLAN MORLEY,
Assistant Deputy Minister,
Ministry of Fisheries and Oceans,
Ottawa

Missing the satirical edge

Through an unfortunate error, the National Gallery supplied Mulcair's with a cropped photograph of Justice Dick The Magnificent. For your review of the *Société de l'Exposition* exhibition ("Visual travels from a new generation," Art, May 19). Without the top of the painting, which depicts part of the logo of the Toronto art magazine *C*, much of the satirical thrust of the painting—which has to do with gloss and recognition in the art world—is lost. We regret this mistake and would appreciate your bringing it to the attention of your readers. I would also like to correct the impression the article given that John McEwen has been consistently criticized by the National Gallery in art, which was included in the *Photobooks* exhibition in 1980, contrary to what the article implies.

—DIANA MORROW,
Assistant Curator, Contemporary Art,
National Gallery of Canada,
Ottawa

PASSAGES

DEAD Singer Kate Smith, 79, whose vibrant voice and unabashed patriotism made her one of America's most popular singers, after a long battle of diabetes and cancer, in Raleigh, N.C. Smith recorded almost 3,000 songs, 400 of these hits, but her best-known were her theme song, "When the Moon Comes Over the Mountain," and "God Bless America." Written especially for her in 1938 by Irving Berlin, it captured *The Star-Spangled Banner* as the nation's most popular patriotic song.

DEAD Noted personality Bert Peard, 75, the founder of Canada's long-running radio program, after a long illness, in Los Angeles. A Winnipeg-born musician and former medical student, Peard founded *The Happy Goings* in 1937 so 1969 CD show known for its upbeat music, outrageous humor and silly banter.

WON By James, a play written by Linda Griffiths in collaboration with Maria Campbell, both the need for top Canadian production at Quebec's *Quincentenario* de l'Inde, in Quebec City, and the *Black Hawk* Moore award for best new play, in Toronto.

DEAD Beloved British actress Lady Diana Cooper, 92, one of Britain's leading social figures, after a lengthy illness, in London. An actress, writer and one of the most photographed women of her time, Cooper had a wit and beauty that inspired poetic tributes and affection from her countrymen.

DEAD Sonlighter Martin Perkins, 81, who became a household name as the host of a TV animal-adventure series, of cancer of the lymphatic system, in St. Louis, Mo. In a television career that spanned more than 40 years, Perkins made his name as *Bob Perkins* in the 1950s and later as host of the 50 years of the *Barry Award-winning Wild Kingdom*.

DEAD Profile writer Robert Evans, 94, who began his career in 1939 as a reporter and later became one of Canada's most distinguished writers, of pneumonia, in Seattle, B.C. Evans' best-known work was *G Time in Your Night*, a novel recounting his childhood memories of life in Ontario at the turn of the century, published in 1979.

DEAD Writer Frances Scott (Scottie) Smith, 64, the daughter of renowned artist F. Scott Fitzgerald and his wife, artist and writer Zelda Fitzgerald, of cancer, in Montclair, N.J. Smith's career included stints with *The New Yorker* magazine and the *Northern Virginia* and *Washington Post* newspapers.

Equals at the summit

In your May 19 *Passages* section, you rightly drew attention to the death of Tenzing Norgay, the Sherpa who, along with Sir Edmund Hillary, made the first ascent of Mount Everest in 1953. But you wrongly referred to Tenzing as having "guided Hillary to the top." Both Hillary and Tenzing were members of the 1953 British expedition to Mount Everest and set out on the first assault as equals, not as climber and guide.

—ERIC EDWARDS,
Modern Park, B.C.

Striking at Canada's trappers

George V. Clements of the Association for the Protection of Fur-Bearing Animals claims that "only about 10 per cent" of Canadian trappers are aboriginal (Letters, May 12). I wonder where he takes this "estimate" from, my own research suggests that the proportion is at least twice that figure, and probably closer to 50 per cent, as Mulcair's reported "fighting the fur trade," *Conservation*, April 7. More to the point, many people in remote regions have little prospect for alternative employment to replace lost trapping income should the campaign of groups like that of Clements succeed. Most people would be shocked to see the distress caused on Battle Island by the collapse of the market for sealskins. A few years ago money received from the sale of sealskins covered the cost of off and gear and other equipment needed for hunting. Today many of the men can no longer afford to bring in fresh meat for their families. It is ironic that companies which arose from concern about protection of the natural environment have struck hardest not at urban waste and industrial pollution but at the very people who still live closest to nature.

—ALAN HICKMOTT,
Outremont, Que.

George V. Clements has his wires tangled as far as information is concerned. What Clements calls the federal government's "old myth" that at least half of the 100,000 trappers in Canada are Indian or at least agree with our facts (which include the Métis people as well) and those of the Fur Institute of Canada and the Fur Council of Canada, as well as *Indigenous Survival International* and many other Canadian groups.

—BOB SEVENSON,
Executive Director,
Aboriginal Trappers Federation
of Canada,
Ottawa

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Letters are edited and may be condensed. Writers should supply name, address and telephone number. We cannot assume responsibility for the return of letters. Letters should be sent to: Editor, *Maclean's* magazine, Maclean's House, 777 Bay St., Toronto Ont M5W 1A7.

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FOLLOW-UP

The Angels' challenge

These distinctive red berets and white T-shirts have become familiar, often welcome sight for fearful New Yorkers. Since the Guardian Angels crime fighters first appeared in 1979, they have gained the support of many crime-weary citizens in New York and in other U.S. cities. But many city authorities have shown grudging respect mixed with outright hostility for the group of volunteers and its 35-year-old leader, Curtis Sliwa. At the same time, some busi-

ness leaders, embarrassed by the group's image as vigilantes, have avoided contact with the Angels. But now the still-controversial Angels have taken a step toward legitimacy by accepting an invitation from local business groups to help clean up New York's 42nd Street, a haven for drug dealers and other criminals. Saul Rosen, president of the Bronx Organization, a corporation with extensive real estate holdings in the area, "We expect to see a dramatic improvement."



Volunteer Angels patrolling 42nd Street, grudging respect mixed with hostility

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The April invitation was an important turning point in the 3,500-member group's search for respectability. The police remain hostile to the group because, according to Sliwa, its members illustrate the authorities' inability to fight crime. "The authorities never wanted the Guardian Angels," Sliwa told Maclean's. "They've been forced to accept us because of public anger." By contrast, there has been no similar acceptance in Canada, where the Angels have tried to organize branches in several cities, including Windsor, Ont.,

"crack." Police spokesmen doubt that the Angels' "Crackdown on Crack" will be any more effective than the city's past efforts to clean up the area. Said police Capt. John Tuccillo: "Only a small police force would have an impact. For every person we look up, there are three ready to take his place."

From their donated office four floors above 42nd Street, the Angels have developed a strategy of intimidation and confrontation. They use blotters to spot drug transactions, which they report by walkie-talkie to Angels outside. Then, explained Sliwa, "we say to the customers, 'You're not here to buy drugs are you?' Because that would really bother us." As expected, the Angels are encountering fierce resistance from angry drug pushers. But many fearful New Yorkers say they are hoping that the Angels will have more success cleaning up 42nd Street than they have in taming the rest of city officials.

—THEODORE LEE in New York

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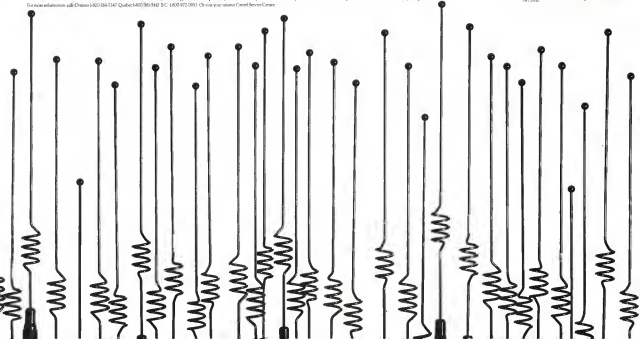
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COLUMN

Missing the news on a crisis

By Dian Cohen

A little known, under-reported but several most top place recently. It was the second annual Canadian Steel Trade Conference held in South St. Mary, Ont. last month. The meeting of experts and labor leaders was remarkable because it shows what can be done when both sides identify problems that are too big for the bargaining table, and have enough confidence in themselves and each other to set about finding solutions to ensure their mutual survival.

The steel industry, like many others in Canada, is being devastated by the winds of economic change. Jobs are disappearing all over North America as the spread of technology around the world and the reduced demand for specific goods change the face of our traditional industries. Third World countries have made good use of 35 years of foreign aid: they have benefited from transfers of technological expertise and with cheap labor they are able to overwhelm us in our own markets.

In the Canadian steel industry, the number of jobs has plummeted to 83,000 this year from 97,000 in 1978, in the U.S. steel industry, jobs have fallen to less than 300,000 from more than half a million. As a result, the industry is under tremendous pressure to cut costs and improve quality. New technology and new labor-saving equipment appear to be the only solution.

But it was the increasingly protectionist U.S. market that prompted Canadian labor and management three years ago to start talking to each other rather than at each other. They realized that the problems they faced had nothing to do with contract talks but were common issues affecting the whole industry. Rod John Alton, president and chief executive officer for Stelco Inc., Canada's largest steel producer: "If we sit in our opposing camps looking at each other, other countries will come right up the middle and take away our markets." Gerard Desnoes, the United Steelworkers of America's Canadian director, who represents 140,000 members, had reached the same conclusion. So Desnoes and Alton, the two most powerful men in steel, set about to find common solutions.

The first union-management steel conference was held in the spring of 1983. Delegates considered the questions of imports, exports, technological

change and adjustment, and markets. Conference committees commissioned research. One of the more startling conclusions: Canada stands almost alone in its calls for free markets. "The rest of the world," says Alton, "is organized to take our jobs away."

Other countries, the research pointed out, have government controls on production, imports and exports, they have mechanisms to facilitate dealing collectively to expand trade. North Americans have done well in organizing labor to deal collectively with management, but Canadian companies compete against each other for markets, they do not co-operate to get a market for Canada.

The process of seeking consensus resulted in the formation of a lobbying and research vehicle, the Canadian Steel Trade Conference Inc., to speak for the industry. Collective lobbying efforts against positive measures from

The meeting of business and labor was important in that it dealt with issues too big for the bargaining table

Washington, generous severance and early retirement packages, government monitoring of imports to ensure a minimum of dumping, adjustment programs to assist in the retooling of workers and all co-operative solutions they have suggested. The steel industry, under the leadership of Desnoes and Alton, has added a new dimension to the collective bargaining process: it has assumed a collective responsibility in transforming the industry to ensure its survival.

There is a good reason why quiet conferences and agreements like these are not well reported: they don't lend themselves to the media's traditional style of reporting economic events. Within the media, few reporters have been trained to deal effectively with economic issues. They have learned to report on the economy in the same way as they have reported wars and sports who is losing, who is winning. So they use a style open to politicians, in which the press—nightly—uses itself as the loyal opposition. In political reporting, the ground rules are clear—the hidden had news

and challenge those responsible.

The problem is that when the economy was stable and relatively predictable, reporters never developed a theory about how to approach economic reporting. Now that the very structure of the economy is being transformed, reporters are using the borrowed tools of a journalistic tradition of conflict and bad news. That's why the violent Quebecers in meat-packer strikes in Edmonton has made national news—it fits into a win-lose, good guy-bad guy mode.

There are, in a matter of fact, fewer clear-cut heroes and villains in Canada's economic news. Even in labor-management disputes these days, the real fight is increasingly offshore: foreign companies that decide to compete vigorously in a business field used to be the sole territory of Canadian firms. These stories are not easy to report, the drama more diffuse and slower to evolve. It requires a different kind of reporting from political patronage scandals or picket-line violence. It requires patience and, more importantly, context.

The process which resulted in an annual labor-management conference in the steel industry holds some important lessons. For those looking for results, it illustrates what can happen when labor and management speak with a common voice: a powerful message was sent to government policymakers. The labor minister has acknowledged that government is better equipped to deal with complex economic issues and delicate human problems when these closest to the action—companies and unions—have a strong hand in designing the solution. For those in search of that elusive Made-in-Canada approach to co-operation among labor, business and government, it offers an alternative to trying to graft on to the Canadian culture a "Swedish model" or a "Japanese model" for economic success.

For journalists, the steel conference provides an opportunity for re-evaluation. We need openness in an information economy, and the role of the media—that of informing us about our options—is more critical than ever before. The media needs to provide us with an accurate map of these unsteady seas and to communicate meaningfully to our collective future.

Dian Cohen is a Montreal-based economic writer.



Reaching the boiling point

She was two months pregnant—and hemorrhaging. But when 35-year-old Theresa Black rushed to Agincourt-Parkview Hospital last week, she found its emergency ward closed—the result of a rotating strike by Ontario doctors. Then, a staff member in her family physician's office advised her to drive to Whitchurch, 35 km away, for treatment. She did—but it was too late. By early evening, Black learned that she had miscarried. Indeed, for patients across the province last week, the strike was both a major nuisance and a potential hazard. One 68-year-old Toronto resident checked into a downtown Toronto hotel for three days to await elective surgery for cancer, only to have the operation cancelled.



Robert Peterson

Agincourt, an anguished couple arrived at Stobbes General Hospital with their sick one-year-old daughter crumpling over the end of the emergency ward. A nurse handed them a photo-copied road map with directions to another hospital. "How can three doctors turn us away?" said the distraught father, racing to find a taxi. "It's ridiculous."

As the strike entered its second week, offices were shut, services withdrawn and emergency wards closed to a rotating basis, posing a potential risk to patient care. And campaigning against legislation that bans extra billing—charging patients more than government-approved rates—many of the 17,000 members of the Ontario Medical Association (OMA) seemed determined to outlast their union. OMA president Dr. Richard Raitson said the OMA will try to escalate the confrontation with Premier David Peterson's Liberal government. Among the sanctions it was weighing: the outright closure of hospitals, including intensive care units. "The only way we can get at the government is through the people," said Raitson.

But the minority Peterson government refused to react to the threats—although there were indications that it may eventually make some concessions to the doctors. At Queen's Park, the Liberals ended a 24-hour marathon session by formally ending debate on Bill 94—the Health Care Accessibility Act—and with the support of the New Democrats, passed the bill on the sixth day of the strike. And the premier "couldn't drag these things out forever. We're going on discussing this for a year." Having to challenge the new measure in court, Raitson advised his members: "Hang tough. It isn't over."

Now doctors' doubt of the OMA's commitment to the cause. In Toronto, about 700 militant doctors stormed the legislature, clashing with security guards and logging over steel barricades to get inside. At a hospital and nursing community in Ottawa, more than 100 protesting doctors chanted "Tyson, tyrant" at Peterson and thrust placards at his face.

Leaders of the medical community said that the heart of the strike was not money but professional freedom—the right to determine and set their own fee schedules. OMA general secretary Dr. Edward Narca noted that although only 12 per cent of Ontario doctors did in fact extra bill their patients, about 75 per cent of its members had walked out the job—a statistic that the government challenged. And many doctors said they feared that Bill 94 was the forerunner of restrictive legislation that would effectively turn physicians and surgeons into civil servants. But Peterson himself intoned: "We don't have any monkey plot to do something to them. We're not going to pass a law aimed outright at his practice in Niagara."

The new legislation allows the government to fire doctors, dentists and

optometrists as well as \$1,000 for billing patients more than provincial Medicare rates allow. Doctors may still opt out of the Ontario Health Insurance Plan (OHIP), but the option is academic. In or out of the plan, they will no longer have the freedom to bill above the fixed rates. Bill 94 will also reduce \$300 million in federal transfer payments, withheld by Ottawa, from provinces that permit extra billing.

According to several surveys, public opinion was solidly behind the government. But the doctors drew support

from the opposition Conservatives, who mounted a legislative filibuster to delay passage of the bill. During the marathon session, they backtracked Richard Twiss (Oxford) spoke continuously against Bill 94 from 1:30 a.m. to 6:45 a.m.—to an almost deserted chamber. The New Democratic Party urged the government to force the doctors' disciplinary body, the College of Physicians and Surgeons, to impose harsh penalties on doctors who abandoned their emergency departments. Apologists for the College said that

full closure of hospitals would be unacceptable and officials sent letters to all doctors expressing displeasure with the effects of the strike on patients. But it did not exercise its power to investigate doctors suspected of professional misconduct.

Most members were sympathetic to the OMA's goals, but the organization's tactics sometimes created ethical problems for the doctors. At one downtown Toronto clinic, doctors found themselves on different sides of the debate: "We would never put patients at risk by closing the doors," said Sandra Alkimos, administrator of the Bay-Webster Family Medicine Centre. But Alkimos, who is not a physician, added that the eight general practitioners on her staff were angry with the government.

Some doctors resented the OMA's strategy as much for practical as philosophical reasons. Dr. Gary Burrows, a physician at Toronto's St. Michael's Hospital, and the closure and walkouts had made his job more difficult, as patients turned away from their own doctors turned up at his downtown clinic. And because of the strike, he added, it was almost impossible to get X-rays or other appointments with specialists for his regular patients.

Other professionals also found themselves drawn into the battle. At hospitals not affected by the strike, nursing staff were faced with an increased work load. And on the front lines, nurses had to turn patients away from emergency rooms—and deal with their hostility. Said Elaine Pettus, spokeswoman for the Ontario Nurses' Association: "We have to deal with people who are confused and crying because they must take their child somewhere else. That's upsetting." And for Ontario pharmacists, the strike was also costly. Prescription that could not be checked with physicians were often left unfilled. One Toronto pharmacist estimated his business dropped by 35 per cent.

But the group that suffered most was the public, and many observers predicted that their opposition would eventually force the doctors back to work. Said Michele Harding, executive director of the Ontario Health Coalition: "When people are denied health care, it's the doctors they blame." Added former Ontario Labour Relations Board chairman Donald Carter, now a director of the Industrial Relations Centre at Queen's University in Kingston, Ont.: "It's a battle for public opinion and right now the doctors appear to be losing. The passage of the bill fundamentally alters the dynamics of the strike."

Even when the strike is settled, the effects will linger. After the 1982 strike in Saskatchewan, when doctors walked out for 30 days to protest the erosion of Medicare, some physicians



Doctors demonstrating. Peterson (above), freedom



were blacklisted by hospital boards and denied hospital privileges for years afterward. And Mr. Justice Emmett Hall, who recommended in a 1980 royal commission report that doctors be denied the right to extra bill patients, noted that, unlike Ontario's dispute, the Saskatchewan strike had not involved disruption of emergency services. That, said Hall, "poses directly against the concept of a hospital, which is to serve the public." He added: "When all is said and done, you can accept the doctors are quite sincere about this, but you can also be sincere and wrong at the same time."

—SHEILA KATZMAN in Toronto with DALE KATZMAN in Regina

Alberta confronts an image problem

A quarterback in the Canadian Football League, Don Getty earned a reputation for steel determination. When the game was going badly, he rarely showed a hint of abandon his initial game plan, waiting patiently for a chance to make a big strike. The high point of his 10-year career, the 1986 season, when Getty led the Edmonton Eskimos to the Grey Cup. Three decades later, as the premier of Alberta, Getty is losing that same ferocity in provincial politics—so far without success.

Last week his Conservative government was on the defense in several areas. The oil and gas industry—the foundation of Alberta's economy—remained in a seven-month slump, the victim of weak petroleum prices around the globe. A bitter and often violent strike at an Edmonton meat-packing plant clouded settlement, and for the first time in four years the provincial treasurer introduced a budget that contained a word alien to Alberta's fiscal vocabulary: deficit.

In fact, Treasurer Dick Johnston's \$31-billion budget left income taxes, already the lowest in Canada, at current levels. And alone among the provinces, Alberta will remain without an initial sales tax. But the province will have to borrow a record \$3.2 billion—more than \$700 million if it alone to sustain the petroleum industry and \$30 million to begin modernizing the province's antiquated party-line telephone system. Additional borrowing, Johnston predicted, was unnecessary because oil prices would recover in 1997. But the government's optimism is not shared by industry analysts, who see prices remaining depressed until 1999.

For Albertans, who last month elected 41 Conservatives to the 25-seat legislature, the budget statement was a clear signal of changing times. And increasingly Getty himself is blamed for the economic slide, the radicalization of the labor movement and the defeat Douke about Getty's stewardship were first noted during the Conservative 1985 leadership campaign. According to David Walker, director of

public policy research with the Angus Reid Associates polling firm, Getty had an image problem. Most of those surveyed, said Walker, "thought the other candidates would care more about helping the poor, the elderly and

at the Gainers meat-packing facility, owned by his friend industrialist Peter Pocklington, has also been sharply attacked in an attempt to defeat the crisis, the government hired Edmonton lawyer Alex Dubinsky, former chairman of the Alberta Labor Relations Board, to prepare a nonbinding report by June 30. Dubinsky's *Colony Report*, in a lead editorial, "A weak-kneed inquiry serves no one's interests except those of the Conservative government. The government are in a quandary as to their comment on the dispute until the report is delivered. It's a favorite tactic but entirely inappropriate at such an inopportune time."

When the Gainers dispute is settled, there are even larger problems to resolve. The Conference Board of Canada last week predicted that Alberta's economy will remain stagnant through the next year. In Edmonton and Calgary, real estate prices are depressed. Two Edmonton trust companies are in financial trouble, and credit unions continue to need provincial support. At the same time, unemployment is just over 10 per cent, kept high by petroleum industry layoffs.

Still, Alberta's debt servicing programs are projected, and revenues from the \$15-billion Alberta Heritage Savings Trust Fund assets continue to accumulate. And some Albertans even prefer Getty's relaxed style to the more intense attitude of his predecessor, Peter Lougheed. "Getty is down on the main floor, not always in the press clubhouses," said Al Rowles, whose race horse, Bold Strike, competes at Edmonton's Northlands race track. "He'll do as good a job as Lougheed, only differently."

Ultimately, the premier's prospects, and the province's, depend on it. If prices remain depressed, a more energetic, mobile and youthful electorate may begin exploring political alternatives. In the meantime, Getty is waiting patiently for the right opportunity to make the traditional gains play work.



Confrontation as the Gainers picket their; Getty (below) image problem



—JOHN BOWEN in Calgary

Terror and the Sikhs

In Vancouver, four men will remain in custody until September to be tried for the attempted murder of a visiting Indian activist minister last month in Montreal, five others charged with conspiracy involving explosives were confined to a detention centre for a preliminary hearing at the end of June. And last week some other men, accused of conspiring to commit terrorist acts in India, were returned to Hamilton, Ont., to await a bail hearing this week. The common denominator all of the accused are Sikh members of fundamentalist sects, militant groups fighting the Indian government to establish a separate state in northwestern India.

The most recent arrests resulted from investigations by regional police, the three and the Canadian Security Intelligence Service included in the June 14 roundup were the British Columbia-based leader of the Babar Khanda, Talwar Singh Parmar, who had been visiting a fellow sect member, Tejinder Singh Kalso, at his Hamilton home. But at the time of the arrests Kalso and two other Hamilton men were on their way to India and Pakistan. During a stopover at London's Heathrow Airport, British authorities, alerted by Canadian officials, refused them entry and returned them to Toronto, where police arrested them. Three more Sikhs were arrested the same day, two in southwestern Ontario and another at his home in Kankook, B.C. Among the charges faced by some conspiracy to work the New Delhi parliament buildings and kidnap an Indian MP's child in order to coerce the parents into settling the crime.

At the same time, families of victims of last year's Air-India crash now swarmed on Ireland's Dunsinnett Barr to commemorate the first anniversary on June 23 of the tragedy that killed all 329 people on board. An Irish inquest, an Indian inquiry and an extensive Canadian investigation provided circumstantial evidence that the plane was destroyed by a bomb planted by Sikh extremists. Following that disaster, spokesmen for the Indian government said that Ottawa had failed to take seriously their warnings about Sikh terrorists in Canada. But the news also indicated that Canadian security police have begun to take the Sikh threat very seriously indeed.

—CINDY BARRETT in Toronto



Murphy, Brennan (right) the 'whispering and dealing' will start in the fall

Getting down to business

For the throng of reporters gathered outside the office of the U.S. trade representative in Washington last week, it appeared to be another frustrating day. The two men they were waiting for—Canadian trade negotiator Simon Branson and his American counterpart Peter Murphy—had pledged not to disclose details of their negotiations on free trade for fear of jeopardizing the historic talks. But when the crowds emerged, they unexpectedly shed their customary reserve. As reporters clustered around, the starchy Branson and the gaunt Murphy squared off in an aggressive debate on two of the most contentious points in the talks: Canadian social programs and the U.S.-Canada auto pact. And while the dispute sparring match was good-natured, it clearly illustrated the obstacles impeding the quest for an agreement.

Branson sparked the exchange by declaring that it was Canada's "firm, clear" position that social programs had no place in the negotiations. But Murphy insisted they should be on the table. "These are comprehensive negotiations, and the two sides have the right and the ability to talk about anything," said Murphy. "Now obviously, we're not social negotiators." He added, Branson corrected. "Here that. We're not social negotiators." But, Murphy continued, "the point is that there are social programs that adversely affect trade of the United States." On the auto pact, Murphy said

U.S. negotiators should be able to examine the 1965 agreement. "If we feel it's not perfect," Branson argued that the pact, which eliminates tariffs on vehicles and some auto parts, has worked well and should be excluded from the talks. But the Canadian negotiator, "If it isn't broken, why fix it?"

Earlier in the week, in a 15-minute national television and radio address, Prime Minister Brian Mulroney endorsed Branson's point. In urging Canadians to support his free trade initiative, Mulroney said that the auto pact had been a "success" for Canadian auto makers. A broader free trade deal, he added, could benefit other Canadian industries. But Liberal leader John Turner warned that a deal with the United States could undermine Canada's trade with other countries.

Still, Mulroney himself carefully noted in an otherwise upbeat address that, if any deal reached remains about the benefits to Canada, "there will be no deal." Murphy was equally cautious, describing last week's meetings as talks "in use of there's a possibility of negotiations later on." According to one U.S. negotiator, the two sides will continue broad discussions through the summer and "start the whispering and dealing when we sit down in the fall." The contentious area of what may be raised at the negotiating table will likely not be resolved until then.

—AN HESTEN in Washington with HELENE KAGANOFF in Ottawa

**JACK SPRAT'S
AMAZING FACTS
ABOUT BEEF**

**BEEF
IS 35%
LEANER
THAN
IT USED
TO BE!**

*"It's true!" says Jack Sprat
who hates fat. "Better
breeding and feeding
methods have
made Canadian beef
leaner today.
So there's more meat
to enjoy and less fat to
worry about."*

BEEF
IT'S LEANER THAN YOU THINK.



Jack Sprat

(Meat) Eating 100% 100%
Cholesterol & Saturated Fat
Controlled Diet (Source: Beef Canada,
J. Can. Dist. Assoc. 1994)



The premier, avoiding acceptance, leaving the door open to an interim election

Hatfield's soft sell

The study cost close to \$1 million and it took two years to complete. But when the New Brunswick government released the long-awaited report of the Advisory Committee on Official Languages last week, Premier Richard Hatfield flatly rejected most of its 100 recommendations. While approving the report's broad appeal for linguistic fairness, Hatfield said that his government's previous actions to improve language rights had made many of its recommendations unnecessary. Among the measures recommended in the report: division of the province into linguistically based administrative districts, a linguistic rights commission, a difference-of-opinion program for francophone civil servants, and francophone and anglophone "work units" in the civil service. Said the Conservative premier: "We're going to proceed to make progress to ensure that the people of this province are served in both languages."

There were also sound political reasons for Hatfield's response. The debate over language rights has stirred powerful emotions in officially bilingual New Brunswick, where one-third of the population of 750,000 is francophone. Public hearings held by the committee in 1984 led to violent outbursts by anglophones who resented "having French shoved down their throats." By delaying the report's release until the last day of the current legislative session—the committee de-

ferred it in February—Hatfield was apparently trying to avoid a new flare-up of the divisive language issue, especially because he may want to hold a fall election.

Opposition spokesmen also steeled themselves of the issue. Liberal Leader Frank McKenna refused to answer questions about the report until he had studied it more thoroughly. Even the eight members of the committee—four of them anglophone, four francophone—were reluctant to comment.

The premier's careful handling of the language issue was closely watched by New Brunswick politicians. Recently, there has been renewed speculation that Hatfield, 55, currently the nation's longest-serving premier, would resign. In fact, there have been rumors about Hatfield's future since marijuana was found in his luggage during the Queen's visit to New Brunswick in September, 1984. The rumors continued when he stated out of the legislature during most of May because of a throat infection. And recently his longtime friend Dalton Camp, a former Conservative party president, conceded in a newspaper column that the premier's loss outnumbered his backers. But as Hatfield reached his 25th year in the legislature last week, his deft response to the sensitive language report seemed to dampen the resignation rumors—at least temporarily.

—MARIE GEE with KATHY HARTLEY in Fredericton

Reopening the bidding

For Prince Edward Island's newly elected Liberal premier, Joe Ghis, it was a matter of the highest priority. After winning an April election, Ghis was anxious to learn how his Conservative predecessor had persuaded one of the world's richest companies to build a radar construction plant on the island—instead of in New Brunswick and Nova Scotia who also wanted it. Ghis soon discovered that the Tories had pledged to give Littera Systems Canada, what amounted to a \$8-million grant, and swiftly asked the firm to renegotiate the deal. But after a meeting in Ghis's Charlottetown office, Littera president Ronald Keating and last week that the company will reopen the competition among three of Canada's parent provinces for the sought-after plant. The deadline for the new bids July 1.

Ghis's chief concern was the long-term outlook for the facility, which would manufacture radar equipment for use in a new land-based air defense system. Although Littera said that the plant would have a 10- to 15-year lifespan, the companies were scheduled to be built within two years. Ghis's objective to sign Littera to a long-term contract that would avoid existing what he described as "another white elephant," a reference to other failed island projects.

According to the islanders' report, the Littera plant would have initially created only 222 jobs for islanders—not the 345 positions previously pledged. And less than a quarter of the goods and services needed by Littera would have been purchased on the island. Declined Ghis: "The benefits estimated by the previous administration were overly optimistic."

New voters elsewhere may they doubt that Littera will build on the island. Said P.E.I. M.P. Thomas McMillan (Hillsborough), who campaigned actively for Littera: "I feel disappointed and pessimistic. There is a real risk Littera will see they can't work with this government." But Ghis himself said Littera should never have opened a bidding war among have-not provinces. In effect, the premier charged, the provinces are vying to give away federal benefits in order to attract industry. Said Ghis: "The people of Atlantic Canada are going to come out the losers in the long run."

—Beverly McNamee on Charlottetown

CUTTY SARK



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smooth.



Singer Harry Belafonte and former French culture minister Jack Lang at Paris conference. Tumbo (below), a plea for assistance

Pretoria's iron grip

The silence of South Africa was heard around the world last week. Shortly after midnight on the 16th anniversary of the landmark black Soweto uprising, the government imposed severe restrictions on the press—and appointed its Bureau for Information as the only source of official news about anti-apartheid disturbances. News reports dwindled to frustrated summaries of the government's version of events. And although millions of blacks stayed home as a day-long protest to mark the Soweto killings—which led to nationwide riots resulting in an estimated 700 deaths—they were confined to townships by security forces. The bureau's director of information, Leon Molele, claimed that the strategy was a success: "Nowhere was there mass unrest," he declared. But Pretoria was unable to stop the growing pressure abroad for increased sanctions amid continuing reports of human rights violations.

In London, the human rights organization Amnesty International defied a South African ban on the publication of its identities and

members of people in custody. It issued the names of 35 imprisoned doctors, church leaders, labor union organizers and others. In its report, Amnesty noted that security forces are immune from prosecution for any acts committed under the emergency decree. Said the report: "Amnesty be-



lieves that could be a licence to torture." Britain's Trade Union Congress added that 76 South African trade union leaders were put in jail. Late last week, the information bureau acknowledged that 54 people had died since the emergency decree, including three women killed by

a bomb explosion in Durban.

Meanwhile, in Cape Town, white opposition member Ray Swart declared in Parliament, the only forum exempt from restriction, that security forces have detained thousands without trial. "People just disappear," he said. "They have been taken by the police." And in Washington, state department spokesman Bernard Riffe confirmed that security forces had arrested the entire 210-member congregation of a Dutch Reformed Church mission near Cape Town, including two Americans. He added: "It is the U.S. hope that the South African government will soon realize that it is not the press reporting about the problems in South Africa, but the problems themselves, that South Africa must deal with."

But both Britain and the United States maintained their opposition to increased sanctions. In Paris last week the two countries joined West Germany in a boycott of an international conference sponsored by the United Nations to discuss economic sanctions. As a result, Oliver Tumbo, president of the exiled African National Congress, denounced the three nations as "allies of a murderous re-

gime." He went on to plead for international sanctions saying that otherwise a "bloodbath is inevitable."

And in Luxembourg, the foreign ministers of the 16-member European Community also failed to agree on sanctions. Although Greece, Ireland and the Netherlands called for full-scale penalties, Britain, France and West Germany recommended limited measures such as a refusal to import South African fruit and vegetables. Then, in New York, both the United States and Britain blocked an attempt by five nonaligned members of the UN Security Council to resolve mandatory economic sanctions against South Africa.

But that no decision coincided with a dramatic U.S. congressional attack on Pretoria. In a unanimous vote, the House of Representatives called for total U.S. financial withdrawal from South Africa. The bill would prohibit any U.S. company or citizen from investing in, importing from or exporting to South Africa. It also calls for the withdrawal of all U.S. companies—about 300—from South Africa within 180 days of the bill's enactment. Some Republicans—aided later that they voted for the bill knowing that it will never see Senate approval. Continued a White House spokesman. "It is sure to make you feel morally right for 24 hours, but when you get out the next day the same problems are still there."

In London, Prime Minister Margaret Thatcher easily defeated an opposition call for economic sanctions last week, but her address privately confirmed that she must introduce limited measures this summer—if only to keep the 48-member Commonwealth together. Thatcher says a complete embargo on South African trade would cost 120,000 British jobs. "You want sanctions that will increase unemployment in South Africa and increase unemployment here," she told opposition MPs in the Commons. "How do you think that will bring about peaceful change?" Said Social Democratic Leader David Owen: "We must not judge every action which may be necessary by the cost to us."

As well, Britain's Commonwealth partners are beginning to express Thatcher's position. Zambia's President Kenneth Kaunda, for one, has threatened to resign from the organization if Britain does not act before the special summit of Commonwealth

heads of government in London in August. And are former British colonies in Africa—Zimbabwe, Zambia, Tanzania, Nigeria, Uganda and Ghana—plan to close British High Commissions in protest. Said Ghana's Foreign Minister Obed Asamoah: "It makes it very difficult to belong to such a



Archbishop Desmond Tutu 'subversive statements'

club." Zimbabwean Prime Minister Robert Mugabe called on the Organization of African Unity (OAU) to establish an African defence force to overthrow South Africa's government.

Meanwhile, the anti-apartheid pressure continued in Canada last week. External Affairs Minister Joe Clark released a report which showed that five of the 17 Canadian subsidiaries in



Bathie defying calls for restraint

South Africa pay their workers less than the recommended basic wage. The five companies included Bata Ltd., Minerva-Pergamon Ltd. and Fulcrum Ltd. Ghana's code of conduct for equal treatment of black em-

ployees is voluntary—but Clark suggested that the public defuge the offending companies with letters of protest.

Those signs of increasing world disunity have not deterred President P. V. Van der Byl in a defiant response he has. He says Washington's call for restraint—and an end to the state of emergency. Then, Foreign Minister Barend (Pik) Botha threatened that the state of emergency had prevented a Marxist plan to start a revolution on the Soweto anniversary. "I don't seem to understand that you are forever kicking your friends," he said on a U.S. TV broadcast.

Under the restrictions imposed last week, journalists cannot enter any black township—or any area where there is unrest—and they cannot report on the activities of the security forces. These two regulations follow the June 12 state of emergency decree which prohibited the foreign and domestic press from reporting any

"subversive elements" that include any comments critical of the government. Instead, the Bureau of Information holds daily, hour-long briefings to announce the news, take questions and issue warnings against the use of such phrases as "white minority" or "apartheid" in press releases. In fact, some South African journalists face a fine of about \$11,000 and up to 10 years in prison; foreign journalists risk swift deportation.

Despite those restrictions, South African newspapers have given some independent of defiance. Last week, the *Liberal Daily*, Cape Town, compared the information bureau to a "Department of Truth" whose commissioners give only the authorized version of the news. The Cape News-based Foreign Correspondents' Association denounced the restrictions as "probably the most severe censorship applied to foreign journalists anywhere in the world." The South African National news agency New Vision announced that its staff members were going into hiding. And Johannesburg's conservative *Business Day* charged that the state had extinguished "the least democratic institutions that separate South Africa from outright totalitarianism." It was an angry lawsuit for a censored nation.

—JAMES ANKMAN with Robin LeVine and PHILIP WIDENLOW in London



Scalia (left), Rehnquist, Kennedy and Burger, consolidating a shift to the right

THE UNITED STATES

The new faces of justice

In 1974 the law clerks of United States Supreme Court Justice William Rehnquist, 61, presented him with a toy wooden Lone Ranger doll. Twelve years later that doll remains on the mantel of Rehnquist's stately Washington office—a symbol of his longtime role as the court's conservative champion who has consistently opposed women's right to abortion and the right of blacks to affirmative action programs and school desegregation through busing. But last week, as President Ronald Reagan named him the country's fifth chief justice—replacing Warren Burger, 74, who retires next month after 11 years in the nation's highest judicial post—the Supreme Court's cautious lone ranger of conservatism seemed likely to become the voice of its new majority.

Increasing that potentiality was the fact that Reagan also named Judge Antonin Scalia, 50, another blue-minded conservative activist from the Federal Court of Appeals of Washington, D.C., to fill the vacancy left by Burger's departure. The two appointments consolidate the Supreme Court's shift to the right. But they also confirm the fears of many liberals who charged during the 1984 presidential campaign that the most far-reaching impact of Reagan's re-election would be his opportunity to remake the nation's highest court in his own philosophical image.

The two appointments are unlikely to alter the immediate voting patterns

of the nine-member court. But if Reagan has the opportunity to name one more conservative justice before the end of his term in 1985, he could succeed in reversing the landmark legal rulings of the past three decades. Those decisions have guaranteed increased constitutional protection for women, blacks, criminal defendants and the mafia. Said A.K. Tarkenton, a professor of law at the University of Virginia: "This sets the stage for a major change in the complexion of the court which could last well into the next century."

Analysts on both the political right and left welcomed Rehnquist and Scalia as top legal scholars, but many of them criticized the appointments as the basis of the voting records of the two men. Said Representative Mary Rose Oakar (D-Ohio): "In the area of civil rights, Rehnquist has been very hostile. He has not been a friend of human rights in this country." Richard Minto, spokesman for the National Abortion Rights League, called the two changes "a dangerous double-whammy. We think it's an ominous trend."

Many liberals said that the wit and affability which has made both men popular may make their appointments a matter of even greater concern. Rehnquist's congeniality—its contrast with Burger's often aloof manner—could make him a more persuasive leader, better able to win over other court members in the negotiations

that precede a ruling. Said Howard "What we are likely to see with Rehnquist and Scalia is the emergence of a formidable new conservative team whose youth and intellectual power will help them pick up votes from the more moderate justices."

The surprise announcement of the shakeup took place less than a month after Burger told Reagan that he wanted to devote his full energies to organizing celebrations for the 100th anniversary of the U.S. Constitution, scheduled for his 80th birthday in 1987. But officials said privately that Burger—like Reagan and Attorney General Edwin Meese—had another motive as well. They said that he was concerned that the necessary senatorial ratification of any new conservative appointees to the court would have become more difficult if the Republicans lost control of the Senate in the November election. Despite the fact that four of the remaining justices are 71 or older—making the current Supreme Court the second-oldest in history—all of them have vowed to serve on which their lifetime appointments, at least until the end of Reagan's term. But because of their age, most observers predict that Reagan may still have an opportunity to make another appointment which will turn the court completely in his favor.

Meanwhile, Geoffrey Stone, a law professor at the University of Chicago, said that Scalia's and Rehnquist's views have been wrongly labelled conservative. Said Stone: "One could not go further to the right than Rehnquist and Scalia. They could not represent conservatism, they represent extremism."

—MARK McFARLAND in Washington

We talked and talked...
and never ran out of things to say.



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Orthodox Jews with disassembled holy books. The cracks are on all sides

ISRAEL

A fierce religious fight

The disputes erupting between secular and religious Jews in Israel first arose a century ago. This month they boiled over when members of Orthodox militant sects burned and defaced more than 100 bus shelters carrying advertisements showing women in swimsuits and swimsuits. And last week secular vigilante groups, in acts of unprecedented domestic violence, took revenge—smashing windows on one Tel Aviv synagogue, attempting to burn others, shredding prayer books and ransacking two religious schools. The escalating bitterness between the two groups caused widespread alarm in the country of four million people. Said Tel Aviv's mayor, Shimon Lubat: "It is simply insanity. The problem is the cracks are on all sides."

Internal religious fighting began at the end of the 19th century, when secular ultra-Orthodox Jewish communities in Palestine openly opposed an influx of secular settlers. Since then, the so-called militant religion Jews have closed schools in their communities on the Sabbath to halt the passage of traffic and tried to close road-swimming pools as well as movie theaters open on the Sabbath. They have also attempted to prevent school friendships between Jewish and Arab children because, they say, that could lead to Arab-Jewish marriages. But until secular groups recently began organizing to take revenge, protests carried out in secular neighborhoods

—DAVID REINSTEIN in Jerusalem

PANAMA

A general under fire

The strikers fled to docks at Panama City's Tocumen Airport carry a reassuring message. They advise travelers that 1986 is a "year of peace, security, without war." Understandably, they do not say that the Central American republic is a nation riled with intrigues, charges of high-level corruption involving the hoarding of money, smuggling of guns and drugs where espionage is performed on behalf of Cuba. In fact, last week two U.S. congressional panels opened hearings into the activities of Gen. Manuel Antonio Noriega, 47, the chief of Panama's armed forces and de facto head of state. The hearings were largely the result of reports in *Narcotics in the New York Times*, although a panel spokesman said that the information "has been known for some time" but not documented. Said Representative Gerry E. Studds (D-Mass.): "It's time for us to do something. We have some really brave friends around the world. This is one of the more bizarre."

For his part, Republican Senator Jesse Helms objects to Panama's continuing ties with Cuba, to which Noriega has reportedly passed classified U.S. information. Helms has also criticized the military leader over the controversial death last September of former deputy health minister Hugo Spangola, whose beheaded body was found after he had been held in custody by Noriega's security forces. Spangola had charged that Noriega was involved in the sale of African drugs.

Panama's home on only to the canal, which returns to Panamanian hands in the year 2000, but to 12,000 U.S. armed forces personnel—in strategically vital to Washington. Last week U.S. Ambassador Arthur Davis met with Panamanian Foreign Minister Jorge Abadía to "deliver an explanatory note" on relations between the countries. Davis's remarks, said Abadía, were "very positive."

Noriega has denied the charges against him, but that he did not calm his domestic critics. Last week Christian Democratic Party Leader Ricardo Araya Caldera called for Noriega's resignation. He said, "We had 'the right' to demand that the United States stop supporting the dictatorship."

—NEZSULIA COLLECTIVE in Panama City

GLOBAL NOTES

ITALY

Terror on trial



Abbas, 'Wrecking Sphere'

For two days last October four Palestinian terrorists held the Italian cruise ship *Adriatic* hostage off the Egyptian coast. The assailants shot an elderly American passenger, Leon Klingbefer, and forced other passengers to throw his body overboard before surrendering to Egyptian authorities in a controversial exchange for wide passage. Then, four U.S. F-16 fighters just intercepted the Egyptian plane carrying the terrorists—including alleged ringleader Abdul Abbas—and forced it to land in Italy. Last week in a Genoa courtroom presided by a security judge, martial detectors and X-ray machines, five defendants went on trial. The other accused—including Abbas, whom Italian authorities released last October, claiming they did not have the legal authority to hold him—will be tried in their absence. Acknowledged defense lawyer Gianfranco Paganò last week: "Certainly these [defendants] are guilty," but he added that he will argue that they "were not terrorists but fighters for the freedom of the people."

THE SOVIET UNION

Responding to Moscow

Speaking to a graduating class of high school students in Glensboro, N.J., last week, President Ronald Reagan welcomed the Soviet Union's latest proposal to reduce strategic arms. "We cannot accept these particular proposals without change," said Reagan, "but it appears that the Soviet side begins to make a serious effort." Glensboro was an appropriate site for Reagan to make his remarks. At a 1987 summit in Glensboro, President Lyndon Johnson and Soviet Premier Alexei Kossyguin laid the basis for the 1959 Anti-Ballistic Missile (ABM) Treaty. Moscow's new plan was disclosed by Soviet leader Mikhail Gorbachev just two weeks after Reagan announced his intention to abandon the 1979 Strategic Arms Limitation Treaty (SALT II). Gorbachev said the Soviet side would reduce strategic armaments if Washington restricts research on the Star Wars space-based missile defense system and adheres to the anti-treaty for at least another 10 years. Many observers described Reagan's response as a turning point in the stalled arms control talks, and they predicted renewed efforts toward a second Reagan-Gorbachev summit.

SHRI LANKA

A plan for peace

In an attempt to defuse demands for autonomy by minority Tamils and halt the country's strife, the Sri Lankan government last week approved a new plan to decentralize power in its bitterly divided island. The proposal, which will be discussed at a conference this week, calls for the creation of elected provincial councils with authority over law and order and land settlement. The first councils will be established in northern and eastern areas where Tamil guerrillas have been fighting for a separate homeland. Since 1983 the conflict

between the Sinhalese Buddhist majority of 18 million and the Tamil Hindu minority of three million has claimed more than 3,000 lives. The government reportedly sent 50 power-sharing plans to Indian Prime Minister Rajiv Gandhi, who has been mediating the ethnic dispute since last year. RAO, divisions between Sinhalese politicians themselves threaten to make the proposal unworkable. Last week, following consultation with President J.R. Jayawardene that the main opposition leader, Lakshmi Prasad, was opposing the plan, the RAO said it would boycott this week's meeting on the plan.

POLAND

Breaking Solidarity

More than two weeks after the capture of Solidarity underground leader Zdzislaw Bajak, Polish authorities last week confirmed the May 28 arrest of a government official on charges of helping to hide Poland's most-wanted political fugitive, Zdzislaw Wroński, a deputy director in the foreign ministry. From 1981 to 1985, Wroński's imprisonment of Zdzislaw Bajak, who had avoided arrest since the imposition of martial law in December, 1981, was found during a police raid on the Wroński apartment of Wroński's daughter, Julia, who is currently living in the United States with her husband. Government spokesman Jerzy Urban said that the couple was not under suspicion. Following Bajak's arrest, Polish authorities claimed that a search of the apartment turned up radio waves transmitting equipment, foreign currency and documents linking Solidarity to arranged "subversive actions in the West." Urban added that Wroński knew of the Solidarity leader's hiding place. Last week Urban said that since Bajak's capture, a "small group" of Solidarity underground activists had been arrested.

THE UNITED STATES

Running into trouble



Weston odyssey

When there is New York last week stole Henry Weston's camera and video equipment, his clothes and even his running shoes, the 24-year-old British adventurer almost abandoned his dream of becoming the first man to run around the world. But a donation of \$11,000 from an American philanthropist and the recovery by police of stolen photographs, tapes and other mementos of his odyssey spared Weston to continue his fundraising run for the London-based World Wildlife Fund (WWF). "After all," said Weston, "I nearly drowned in a swamp in Thailand, I was badly beaten up by a man in Australia and I was overruled from India to stay with teachers in the Malaysian jungle." But at week's end, as Weston jogged across the Irish countryside on his way to a scheduled finish in London, on July 6, WWF spokesman Anna Pitt said her organization had never heard of Weston and received no money from his run. As well, officials in Thailand said that Weston drove a car for much of his journey across their country. When Weston arrives in London, said Pitt, "we would like to hear from him."

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Colgate has now introduced an important new toothpaste that fights tartar. Clinical studies have shown that the tartar-fighting ingredient in the new formula actually helps prevent tartar from forming above the gumline.

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Ask your dentist about your role in the fight against cavities and tartar. Then look for the new Colgate Mini Toothpaste. In the gold box, it helps you with your homework. Every day.



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WHY THE BOSS STEALS

COVER/BUSINESS

It was a gamble that captivated the imagination of the Canadian public. On April 26, 1983, Brian Mulroney, assistant manager of a downtown Toronto branch of the Canadian Imperial Bank of Commerce, lost \$1.4 million in six hours at an Atlantic City casino. The next day, he was arrested for speeding while driving downtown from Toronto's international airport. Police discovered \$38,000 in American cash in the car. Then they began to suspect that the judge 37-year-old executive had defrauded the Bank of Commerce of \$20.2 million through a series of false loans. During a later fraud trial, evidence showed that Mulroney—who only a few weeks before his arrest had been described as a man of "good judgment and proven ability to make decisions" by one of his superiors—had used the money to finance a two-year gambling spree. Last April, Mulroney was released after serving under two years of a six-year jail sentence. He had traded his corporate identity for membership in an exclusive club of businessmen: Canada's fraternity of white-collar criminals.

Green: Over the past decades, an increasing number of company presidents, politicians, doctors, lawyers, stockbrokers and many other well-educated Canadians have turned white-collar crime into big business. Smarter than most, prosecuted by greed, treated more gently by the justice system than the average thief, the typical white-collar criminal has until recently largely evaded punishment. Besides past obstacles to his activities, and police forces have just begun to catch up with his paper trail of lies,

pirates. Indeed, experts say that the economic impact of white-collar crime easily outstrips that of bank robberies, violent thefts, burglary and other common types of property crime. White-collar crime is usually an "inside job," and the perpetrator someone with a

creasingly wide range of crimes. Last March, Consumers Distributing Co. founder Jack Rupp and stock promoter Allan Hanson were fined \$100,000 each for misleading the public about stock activity. And last January the first charges were laid in the now well-known Greyhound Trust Co. apartment-clipping scandal in Ontario. Seven executives, most of them from three trust companies, face a total of 82 fraud-related charges.

Kickbacks: In the most recent case, a vice-president of Shoppers Drug Mart, a nationwide chain of pharmacies owned by Montreal-based Imasco Ltd., told a Toronto court that kickbacks—which are a violation of the Criminal Code of Canada—were routinely accepted by senior executives of the company from suppliers. Joseph Shantz, on trial for tax evasion, was convicted two weeks ago of not paying tax on more than \$105,000 in sales and was fined \$36,000. The company has denied Shantz's allegations.

Documenting the impact of white-collar crime is difficult. Canada lacks research and statistics on economic crime. But in the United States, government estimates put the cost at as much as \$64 billion a year. Canadian law enforcement officials say there is little reason to think there is proportionately less white-collar crime here. If that is so, the cost domestically would be more than \$4 billion annually. By comparison, \$5.6 billion was lost in Canadian bank robberies last year.

There are other clues to the extent of white-collar criminal activity. In 1984 the RCMP's criminal crime division investigated 8,460 offences in-

volving \$358 million—about \$106 million more than the previous year. A recent paper in the Canadian Journal of Criminology estimated that doctors were defrauding medical plans of as much as \$450 million a year through practices such as billing for services never performed. According to Statistics Canada, police reports on frauds—the most common of many white-collar crimes—increased by 42 per cent from 1976 to 1984. But experts say that statistics understate the problem. Declared University of Toronto criminologist Philip Stenning, "It is quite unreliable to rely on official police estimates; police just are not told of all the crimes."

Collapses: Government regulators and police officials include fraud, stock manipulation, money laundering, franchise frauds, cheating on government contracts and kickbacks in a wide variety of illegal activities in the business world (page 30). And in the United States, white-collar crime is expanding to include decisions taken by managers that result in layoff or death (page 28). Some recent high-profile crimes include:

- A Canada's largest cheque-kiting scheme, in which Toronto lawyer Steven Bookman was sentenced to 2½ years last October. Bookman had siphoned about \$688,000 from the banking system over several weeks in 1982 by writing a series of phony cheques.

- A \$2.3-million conspiracy in which two Ontario men, Louis Nadalin and Terence Alt, were sentenced to prison in 1984 for defrauding 800 people who were promised large profits if they invested in vending machine operations.

- An \$8-million Kitchener, Ont., real estate operation in which scores of investors were defrauded over a period of 10 years. Financier Gustav Bader was sentenced to three years in 1985 after he sold farmland at inflated prices to investors who were led to believe that it would be developed.

- The 1981 \$274,000 collapse of Atlantic City-based Hadfield. Principals in the firm were convicted of fraud and theft and one of the company's founders was sentenced to four

years in prison. Company executives had misappropriated Atlantic's financial situation to regulatory authorities.

- Misleading stock-trading activity by Consumers Distributing Co. founder Stapp and stock promoter Maras. Last March, the two men were fined \$200,000 each by a Scarborough, Ont., provincial court after a seven-year preliminary inquiry. Both men pleaded guilty to co-operating to purchase and sell Consumers shares in an attempt to mislead the public into believing that there was significant market activity in the stock.

Many of Canada's most famous cases have involved fraud in financial institutions. In January the Ontario

years in prison for a \$25-million real estate investment fraud. Many of the 1,900 investors involved lost most of their life savings. In another operation, Carlo Montemurro, the chief executive officer of Niagara Falls, Ont.-based Re-Mor Investments Management Corp. and former director of Astra Trust Co., was sentenced to six years in prison for defrauding clients of close to \$7 million. The companies promised to place clients' money in secure investments, but instead invested much of the money illegally.

As well, last fall Toronto lawyer Stephen Accio was disbarred by the Upper Canada Law Society after being convicted in Ontario Supreme Court to

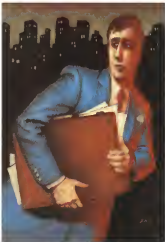


4½ years for defrauding the trust company he controlled, Sudbury-based Dominion Trust Co., in a series of real estate transactions. The losses totalled more than \$1.5 million. In sentencing Accio, Ontario Supreme Court Judge Justice Gregory Evans said "Trust companies should to represent stability that saw the words 'trust company' have almost become a red flag signalling people to investigate before they invest."

Epidemic: In the United States, regulators and law enforcement agencies have begun a major offensive against white-collar crime. Because of the high stakes involved in the current epidemic of large corporate mergers and the recent-shuttering stock market rally, the Federal Securities and Exchange Commission (SEC) recently focused on criminal use of insider information—privileged data that corporate executives use in trading stocks for their own benefit. One spectacular case involved Dennis Levine, a Wall Street merger consultant, who three weeks ago pleaded guilty to six charges of securities fraud, tax evasion and perjury after earning \$226 million in illegal profits.

In Canada, despite evidence of a growing problem, there have been few studies focusing on the new-type criminal. One of them was prepared for the federal solicitor general's office by the Toronto-based consulting firm Aldershot in 1984. It noted:

"Reliable information is clearly lacking in the industry. Last year John David Cernin, the former president of Toronto-based investment firm Argus Financial Group of Canada Ltd., was sentenced to 6½



portion of trust. Said prominent Toronto criminal lawyer Edward Greenspan: "We have gone from crime in the streets to crimes in the suits."

The evidence that the boss is pilfering on a grand scale mounts every week. In the past, several years more and more profoundly—some of them well-known and highly regarded—have paid fines or gone to jail for an ex-

ing." Added University of Calgary sociology professor and white-collar crime specialist Charles Reardon, "The United States is the ahead of us in terms of study and research—and in getting tough."

Achievements As a criminal, the white-collar thief is a member of the elite. Usually an expert in the company he is preying upon, he often has a solid reputation in his community. Explained Dr. Solovay Smith, psychiatrist-in-chief at the Royal Ottawa Hospital and president of the American Academy of Psychiatry and the Law, "The individuals in my experience have had excellent work records, come from very good backgrounds and have been high achievers. They are viewed by colleagues and friends alike as people who are highly successful and have attributes that are to be admired in general by society."

The white-collar criminal usually has a single motivation for breaking the law, said Smith. "The bottom line is usually one of greed." Often, they do not set out to commit crimes. Instead, they see an opportunity when it presents itself. Experts such as Smith say that such criminals often engage in questionable practices as an attempt to meet company objectives or in a last-ditch effort to rescue a failing business. Robert Fossas, chairman of New York-based stockbroking firm R. F. Fossas, which was fined \$2 million last year for an elaborate check-kiting operation, said that it was a result of managers who "created the line" looking for a way to increase profits.

John R. Phillips, co-director of the Los Angeles-based Centre for Law in the Public Interest, suggests that cheating—such as the practice of inflating costs—starts not at the top of a company but among mid-level managers who are pressured on the basis of how well they run their departments. Often, he said, such managers rationalize their dishonest or illegal behavior as corporate loyalty.

Severity Historically, the penalties for white-collar criminals have been lenient. In some main flows, rather than jail terms, are handed down for crimes that cost millions of dollars. Even in the harshest cases, sentences of more than six years in prison are rare. The reason that the sentences are lighter, some experts say, is that lawmakers have traditionally punished violent crime more severely. "If a guy goes out and robs a bank, he may get 10 years," said John Laybourne, deputy director of the Ontario Securities Commission (OSC) in Toronto. "But if he commits a fraud against the same bank, he gets a relatively minor penalty."

American sociologist Edwin Suther-

land first used the term white-collar crime in 1939. At the time, he said that he was referring to a "crime committed by a person of respectability and high social status in the course of his occupation." Many experts say that it is that perception of social worthiness that makes the courts reluctant to punish executive-class crooks. Said Laurens Seider, an associate professor

with "They are not asking people think about their actions and they won't until they start handing out stiffer sentences."

Other experts say that long jail sentences are not necessary to adequately punish elite criminals. The Royal Ottawa Hospital's Smith pointed out that upper-middle-class lawbreakers are "often exposed in public by the me-



OPP Sgt. Stranka: a neo-stylin criminal with greed as the only motive force

of sociology at Queen's University in Kingston, Ont., who studies corporate crime. "The higher you are in the corporate hierarchy, the less likely you are to be sanctioned." Added Ron Deika, staff sergeant of the police's commercial crime section in Toronto. "The amount of penalty seems disproportionate to the amount of gain."

As a result, many justice officials and criminal experts are advocating stiffer sentences, which they say would act as a deterrent to potential criminals. Prosecuted Chief Justice Beven in sentencing Martinovich of Re-Mor. "White-collar thieves are equally worthy of punishment as those who use guns to hold up milk stores." Added Colin Gelf, associate professor of sociology at the University of New Bruns-

wick and that which carries tremendous shame, ridicule and humiliation, which often arouses thoughts of suicide."

Cleves The social standing of white-collar criminals—and their education and skills—have historically made it difficult for police and government regulators to expose them. In recent years, in an effort to unravel clever schemes intended to defraud businesses and consumers, police forces have set up special white-collar crime units. Now, police forces in major cities have fraud squads and the sector operates commercial crime centres throughout the country. Securities industry watchdogs, stock markets, banks and corporations have also formed their own specialized investi-

gative agencies to catch the sophisticated thieves who operate in their own. Paper crime has also spawned new specialists—forensic accountants—who trace a criminal's trail through a company's books (page 26).

Trauma Specimens for police forces served by Martinovich across the country say that the fight against white-collar crime is gaining momentum. But in the electronic age, new forms of computer crime—some of it international in scope—are straining police resources. Indeed, police spokesmen added that they have barely enough manpower to investigate referred cases and that they seldom seek

Members of Sarkis's branch have investigated some of the country's largest cases—among them Re-Mor and Arpaio. Now, they are involved in their latest investigation, the Geymour affair. As many as 30 staff members at a new wave in the case. Said Sarkis, "It is probably the largest investigation of this type that has occurred anywhere, certainly in Canada." In three years the inquiry has examined 2,000 hours of documents and has already cost \$1.5 million.

The RCMP has 35 divisions with 300 members across the country to fight commercial crime. The Maritimes concentrate mostly on national or inter-

national cases. But he acknowledged, "There are probably a few cases out there right now being handled that we won't know about until after people have lost their money."

Toronto The full extent of criminal activity in the business world is shielded from the public because most executives are reluctant to talk about damages and employees who are caught, in order to avoid tarnishing company images. Said Canadian Bankers' Association vice-president of security Michael Ballard. "It is dirty how when it happens on the inside, and nobody is allowed to expose all of his dirty linen."

As a result, corporations are in-



LaRue (left) Shap and Sharning: feeding a corporate identity for membership in the fraternity of white-collar criminals



out offenders on their own. One commercial crime officer in the team who requested anonymity said, "We are understaffed and overworked."

In Toronto, the centre of white-collar crime in Canada, three police forces share the fight. The RCMP, the Metropolitan Police Fraud and forgery squad and the antiterrorism branch of the Ontario Provincial Police. The OPP's antiterrorism branch, one of the most sophisticated operations in the land in Canada, provides a clear illustration of the nature of the new wave of criminalism. On any working day its director, Superintendent James Sarkis, 44, directs up to 100 police officers and employees who are pursuing cases against white-collar criminals, counterfeiters and credit card artists.

Most of the crimes investigated involve money rather than violence. But police say the consequences for the victims can be just as devastating. Said Sarkis, "For somebody who lost their life investments, the difference is how long their last few years in some sort of dignity as opposed to having to rely on family or welfare. I can think of nothing more traumatic than that."

national criminal activities, as well as crimes against the federal government.

At all investigative levels, criminals who use computers have become a major concern because of their ability to tap vast sums of money. In 1991 the U.S. Federal Bureau of Investigation estimated that each instance of bank fraud with a computer suited criminals an average of \$400,000, compared to an average of \$25,000 for those not using computers.

Heads Many investigators say that they are also increasingly concerned about the spread of international crime. Electronic advances that make buying and selling of stock and bonds more possible on different stock markets at the same time have provided criminals with opportunities for making their global transactions. Said the OSC's Laybourne, "If Toronto talks with Paris and Amsterdam, how do we police people from outside the country?"

Stock market regulatory agencies already face increasing domestic jurisdiction. Laybourne's department, however, has more than 20 staff members investigating offences such as insider trading and price manipulation on the Toronto

exchanges, turning to internal security measures. Said University of Toronto criminologist Stenning. "Companies are more interested in prevention now." He added that companies usually prefer to handle their own wrongdoing privately because the chances of recovering stolen funds are better if the matter is not taken to the courts. He said that in one instance a bank's manager made mistakes might defraud the bank or after the bank's loss would be covered by a loan and the lawbreaker could continue to work in order to pay it back. The third turned the offer down, and later in court the judge ordered the bank to have paid the deal.

White-collar criminals, declared by antiterrorism director Sarkis, are "the most intelligent cut of our society." He added, "They should really know better than the average person that they should not be stealing money." The problem is that they also know better than the average person how to do it.

—DAVID THORPE with ANN SHORRELL in Toronto



Lindquist (left), Haines (center) and associate detective-style accountants

THE NEW CRIME SLEUTHS

COVER

It was a scene from the packed-and-jostled world of Miami Vice. Two conservation officers and their prize winchman strode into a Northern Ontario home, carrying a court order. While the officers searched through documents, a woman resident pulled out a revolver from a collection of restricted weapons in a bedroom closet and confronted them. The witness, an accountant who was present to investigate for a possible violation of fishing quotas, was not impressed by the scene. He quietly stood by while the officers disarmed the woman before beginning to study the family's accounts.

A confrontation at gunpoint is not an everyday business event. But it is one of the hazards of being a forensic

accountant—a special branch of the usually colorless profession that chases down fraud. It often results in jail sentences for the people involved in the crimes. Said Robert Lindquist, of Toronto-based Post Marwick Lindquist Haines, the country's pre-eminent forensic accounting practice: "When we enter the office of someone we are investigating, we make a point of never going in first because we never know what we will find."

Crime. Forensic accounting is a specialty that relates more to the world of crime and punishment than to profit and loss. And it is so different from traditional accounting as a woman's role is from that of a family doctor. Forensic accounting, a term coined by

Lindquist more than a decade ago to define the fledgling specialty, is largely based on the ability to pursue a variety of business documents—a paper trail—and discover exactly what happened inside a failed or defuncted company. Now, just major firms offer services in the field, but Lindquist and his partner, Donald Haines, oversee the top-ranked sleuths in civil and criminal cases of white-collar crime.

Sleuths. When Lindquist set up the practice in 1979 there were few other practitioners. But the specialty has grown quickly. Among the national accounting firms that have joined the ranks of forensic sleuths is Touche Ross & Co., of Toronto, which three years ago reorganized its sprawling membership and insolvency practice into a six-partner special services group. Police forces say that forensic accounting is more necessary than ever in their work. Said

Det. Insp. Douglas Grimey of the Ontario Provincial Police's anti-racket branch, "Our cases are getting more complex each year. Forensic accounting is absolutely essential to prove those big cases."

Watchdog. Forensic accountants can be called into a company by almost anyone with a legitimate interest in a company's affairs—police, government regulators, insurers, top management or shareholders. Often, the evidence that the sleuths gather is critical to proving a criminal case that there has been wrongdoing. As a result, the accountant has to be far more thorough—and more wide-ranging—than would be the case in a normal audit, which is limited to determining whether or not a set of accounting rules has been followed. Said Bruce N. Throckmorton, a Toronto accounting professor: "We are more of a bloodhound than a watchdog."

Detective-style accountants also take a different approach to their work. Regular auditors usually trust that management is conducting the affairs of a company properly, but a forensic accountant is often in a position in which he suspects the management of fraud. Careers are at stake because the evidence unearthed by a forensic

accountant can result in anything from criminal charges to prison terms. "Your work is always open to the other side for cross-examination," Lindquist said. "It has to be perfect or a problem can be created in your corner and in your credibility."

Pool. But it is partly the exciting, possibly huge sums that appeal to the growing numbers of recruits to the specialty. Said Lindquist Haines partner Robert Macdonald, "We're dealing with things you may see on TV, anywhere from murders to financial institution collapse." In the Lindquist Haines office in downtown Toronto, one of the firm's first assets is still prominently displayed—a pool table.

For several of the participants, during the 10 years following its establishment, Lindquist Haines grew from a two-man firm to a six-partner organization with 700 cases in 1988. That confidence prompted national accounting firm Post Marwick Mitchell and Co. to propose a merger that was completed in February, 1985. Now, a division called Post Marwick Lindquist Haines is run by the two trailblazing accountants. The merger gave Lindquist Haines partners with broad experience in areas such as tax accounting and access to a national network of offices. As a result of the merger, the firm has also taken on its first two cases out of the country: a hostile takeover

assignment rather than concentrating on forensic work. "You can't go into these types of assignments with a fraud complex, and that is the danger of holding yourself out as a forensic accountant."

Roll. Lindquist and his partners are content to demand for their specialty ability to stand up to grueling cross-examinations in court. Over the years, the members of the firm have testified in court a total of 286 times. And although any of their 36 chartered accountants—most with 24 partners with forensic duties in regular Post Marwick branches—may work on a criminal case that takes years to unravel, the critical days of court testimony are always the prerogative of the firm's senior members.

Chisel. Some cases never reach court. In fact, what begins as a practice that relied on criminal cases has evolved into a business in which two-thirds of the work is for corporate clients who usually do not want to prosecute. These operations include evaluating businesses for insurance companies, checking on possible employee frauds or examining for government agency a company's claim that it cannot pay to install pollution devices. As well, law firms often hire forensic accountants to help support their clients' cases by obtaining data about their businesses or examining personal finances in matrimonial disputes. It is this type of lucrative corporate business, called "litigation support" by members of the accounting profession, that the large national firms are anxious to capture.

At times, a civil case can turn into a criminal one. In one instance, after a director of the Canadian operations of a New York-based retailer heard at a Florida cocktail party that a purchasing department employee in Toronto was refusing to deal with one supplier, Lindquist Haines was hired to investigate. The accountants discovered that the employee was in business for himself, so the retailer's lawyer sued him, and after the company took the matter to the police, he was convicted of taking a kickback.

For forensic accountants, there is clearly a thrill involved in dealing with sleuths. They often find that the criminal is a much more interesting person than a beguiling personality. "There are dozens of these con men out there," said Lindquist Haines partner Todd Avery. "They'll sit there across the table and tell you these wonderful things. You can really get caught up in it. But it is not about making money. It's about truth, and the proof of it on paper, that exonerates the forensic sleuth's quest."

—ANN SHOOTER in Toronto



Brown (standing) and Morrison: sleazy crooks and critical witnesses

that often serves as a desk for strategy sessions with police and other clients while the partners are not playing for relaxation. Lindquist, 41, is a collector of real-life crime books and an accomplished racing car driver, while Haines, 35, excels at helicopter skiing.

Lindquist's pioneering work began with the 1965 collapse of Atlantic Acceptance Corp. Ltd., one of Canada's largest financial firms. As a junior accountant at Touche Ross, Lindquist reviewed documents on the collapse. It was the first time that Canadian police had hired an accounting firm to find out how a corporate crime had been committed. The royal commission investigation into Atlantic Acceptance resulted eventually in jail sentences

for several of the participants.

Complex. Some accountants say that forensic work is not substantially different from that done regularly in the practice. Frank Brown and Jim Morrison, senior Touche partners, were the first to manage the highly complicated financial transaction involving the 1982 sale of 11,000 Toronto apartment units in what is now called the Greylock Trust affair. They did it on the back of a barnyard paper napkin. Since then, Touche has been involved in the controversial recoveries of a number of financial institutions, including the Northland Bank of Calgary. But Brown says that it is preferable to work on a variety of

EXPOSING CORPORATE NEGLIGENCE

COVER

White-collar crime has traditionally referred to Madison Avenue crooks—sleazy marketing moguls. Now, the meaning is expanding to include management decisions that sometimes result in death.

The tragic accident was officially described as the result of a massive bureaucratic breakdown. But for many critics of the recent space shuttle disaster, the fatal explosion revealed a fundamental—perhaps even criminal—weakness in business ethics. Last Jan. 28, when the U.S. space shuttle Challenger began its doomed 25-second flight, engineers from Ohio-based Morton Thiokol Inc.—the subcontractor for the shuttle's huge solid-fuel booster rockets—knew that something might go wrong. Engineers testifying last February and March to the Presidential Commission on the Space Shuttle Challenger Accident, said they knew that the synthetic-rubber seals between the rocket's joints could fail in cold weather. Although Thiokol's top engineers had protested against the launch to their own executives and to top managers at the National Aeronautics and Space Administration (NASA), the flight before, NASA executives proceeded.

Warrior. The presidential commission, which reported to President Ronald Reagan two weeks ago, glorified NASA for management practices that permitted the shuttle launch to proceed despite numerous life-threatening technical problems. But the inquiry has also come to focus a growing sentiment in North America that managers must be accountable for their decisions. In recent years in the United

States—unlike in Canada, where a more lenient official attitude prevails—the courts have taken an increasingly harsh view of corporate managers who ignore warnings from employees—particularly engineers—whose work affects the safety of other workers and the public.



Presidential commission taking a harsher view of executive accountability

As well, the traditional legal protection that incorporates affords individual executives from personal liability for their on-the-job decisions has gradually been broadened. Under that endgame life is now viewed by some judges and juries as amounting to criminal negligence—even murder. Said Russell McKibbin, staff attorney with Washington, DC-based Corporate Accountability Research Group, which was founded by consumer advocate Ralph Nader. "If NASA and Thiokol management ignored engineers' warnings about design flaws in the

shuttle, it could be considered negligent." He added, "I wouldn't be surprised to see an criminal prosecution eventually."

Reckless. Public demand for a harsher view of corporate accountability first surfaced in 1976, when the Ford Motor Co. of Detroit became the first American company ever to be charged with murder. That year, Ford was charged with "reckless homicide" in an Indiana County circuit court. The case involved three teenagers who died when the gas tank in the 1975-model Pinto they were driving exploded after the car was struck from the rear. The prosecution argued that as early as 1961, Ford engineers had warned against the flawed design of the Pinto's gas tank. Company engineers had offered alternative designs, but management went ahead. Ford was acquitted after a jury trial in 1980, but the fact that the courts had permitted

of breaking the flames. The court found that O'Neil, plant supervisor Charles Kirschbaum, and foreman Daniel Rodriguez knew that Glab's tank was life-threatening. The three men, each sentenced to 30 years in jail and fined \$10,000 (U.S.), were freed while their case is under appeal.

Pressure. In the United States, one reason for the lapses in safety standards, according to critics, is that engineers and other production experts are under pressure from management to approve or downplay their concerns. The evening before the launch of Challenger, Thiokol's vice-president for engineering, Robert Lund, swore of what he described as near rebellion among his engineers, first recommended against cold weather launch. He testified at the presidential commission that a half-hour later, after being asked to "put on my management hat" by Thiokol senior vice-president Dennis

of breaking the chains of command."

Engineers and others who do complain to outside authorities about faulty systems or flawed products are sometimes transferred—or fired. Roger B. Knapik, Thiokol's top expert, and Alvin McDonald, the senior engineer for Thiokol at the Kennedy Space Center, both testified to the commission about their safety concerns—and both received what they called "punitive transfers" as a result. Only weeks before the commission's report was released, they were reinstated.

A similar incident arose during a senate investigation last March into the December, 1985, crash in Garden, N.H., of a jet owned by Mann-Bradley Air Inc. The disaster resulted in the deaths of 248 U.S. soldiers and eight civilian crew members. Michael Sargawa, a former Army Air pilot, testified that he had been taken off flight status and subsequently quit his

senior employees of large corporations, have safety convictions that are supposed to investigate members' complaints. But in a survey that Platts did in 1984, 58 per cent of the Society's members did not even know that such a conviction existed.

The dramatic surge in corporate mergers has also aggravated the difficulty faced by safety-conscious employees. When a company involved in a complex technical project is taken over by a firm whose executives have little knowledge of its operations, safety issues may be ignored. Bud Lane, Clark, director of the Washington, DC-based Government Accountability Project, a group that assists individuals who speak out on safety matters. "The business world's attitude toward management is an art—once you have it, you can manage anything," he added, "So the way supposedly doesn't have any engineering expertise to run a technical system."



Shuttle disaster: a massive bureaucratic breakdown and faulty business ethics

Mason, he reversed his decision. The pressure on Thiokol's engineers, according to the Corporate Accountability Group's McKibbin, represented a "trade-off between profits over safety, with a lot of pressure from corporate users of the shuttle, and internal pressure from NASA, to get a lot of shuttles up." Ralph Nader described the shuttle disaster as "another example of the accelerating degradation of the status of the engineers." He added, "Not only were the engineers overruled by management, they were so afraid of retaliation that they didn't

job in 1984 after he had complained about the airline's maintenance standards to the Federal Aviation Administration. And employees who raise safety concerns outside of their companies often receive little support from their peers. Daniel Platts, an engineering professor at Virginia Polytechnic Institute and State University, has told professional engineering societies that they should act more forcefully in defense of members who speak out.

Liability. Associations such as the 80,000-member National Society of Professional Engineers, which represented study, completed in 1985, concluded that employee health would not be seriously affected. Some critics say the laws that new present individuals from prosecution encourage unethical approaches to safety. Said Corporate Accountability's McKibbin: "The philosophy of limited liability has spread throughout the management hierarchy of the American corporation." The consequences have often been tragic. But in the wake of the shuttle disaster, the courts may be increasingly likely to hold those executives personally accountable.

—DAVID LINDSAY in New York

FINED

Copyright infringement most often involves the unauthorized duplication of records, videotapes, music cassettes and computer software. In many cases counterfeit consumer products, such as watches and

with the
other

Embarrassment takes place when someone uses for personal gain funds or other assets that have been entrusted to their care. This crime is usually con-

Despite the best attempts of authorities to educate the public about fraud, it is certain that sophisticated white-collar criminals will continue to add to their glossary of crimes. ☐

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Conquering the big-steel world

Twenty years ago the management style of Montreal-based SNC Inc. was so innovative that the firm's president, Domitio Dagimon, scribbled out the engineering company's first five-year plan on a paper lunch bag during a fishing trip. At the time, the company was just beginning to gain a reputation in Quebec for its work on the province's huge northern hydroelectric projects. Now, SNC chairman and chief executive officer Jean-Paul Gosselin oversees a giant company that last year tallied \$223 million while working on projects in Canada and 23 other countries.

Last month SNC announced it was part of a four-member Canadian-USA consortium that was awarded a contract to construct an \$8-billion hydroelectric plant in Nepal. And two weeks ago SNC became only the third engineering firm in Canada to go public, issuing 41 million shares worth \$22 million. Declared Gosselin: "The Quebec government's policy of contracting out work in the 1960s helped us to build expertise."

The growing international reputation of companies such as SNC have established Quebec as a major world center of engineering expertise. Montreal-based Lavalee Inc.—Canada's largest engineering firm, with \$225 million in operating revenues last year—and SNC, Canada's second-largest, are also among the largest engineering firms in the world. And last year Quebec-based engineering firms billed more than \$500 million—including more than \$150 million for work abroad.

The international success of the engineering firms is largely a result of their work on huge undertakings such as the James Bay hydroelectric project. The engineers benefited from Quebec government policies that favored the hiring of private firms, whereas other provincial agencies tended to create their own engineering branches.

The firms had difficulty winning contracts in Ontario and the West because the work went largely to government engineers. As a result, they had to seek additional work abroad. Said Bernard Patten, a senior partner in SNC's Montreal-based engineers Benachem, Beites, Laporte, Inc.: "We were forced to look to foreign countries, where we offered North American expertise in French and English with a typically Canadian lack of arrogance." SNC's record reflects the ambitious drive of the province's engineering firms. The 75-year-old company has



SNC-designed dam in Tuzenir; residents drive and publicly traded shares

completed projects in more than 80 countries. Three weeks ago a Canadian consortium that includes SNC, Lavalee, Hydro-Quebec, B.C. Hydro and Toronto-based Ames International Ltd. was chosen to conduct a feasibility study for a \$1-billion hydroelectric project at Taive Gorge on the Yangtze River in China. Last year SNC had 4,000 employees, led a four-member Canadian consortium that was chosen to build a \$1-billion hydro plant in India.

Despite its impressive performance, SNC, like other engineering firms, is diversifying into new areas—partly because the drop in world oil prices has resulted in an uncertain future for many planned megaprojects. Last month one acquired Quebec-based ammunition-maker Cammerton Armaments Ltd. from the federal government for \$94.5 million. Its varied holdings also include a 35.5-per-cent interest in Amec Inc. Inc., a computer record disc maker, and a joint venture with Toshiba Corp. of Japan to produce microfilm releases.

SNC plans to use the money raised from its new shares for other acquisitions, in order to reduce its dependence

on engineering and construction contracts, which last year accounted for about 77 per cent of the company's \$223 million in billings.

Founded in 1911 by Arlier Serveyer, who was a Montreal engineer, the company has thrived under the leadership of 65-year-old Dagimon, who retired last year, and Gosselin, 41, who joined the company in 1961 as an engineering engineer.

Gosselin became chief executive in 1982. The two men are credited with developing the company's international success by adopting a full-service approach and offering clients expertise in every phase of a project. That approach was a key factor in helping SNC win contracts in developing countries. Gosselin says that his goal is to build up SNC's sales to \$600 million by 1991. Added Gosselin: "My goal is to make sure the financial strength of the company remains intact." But for now, SNC's major challenge is to make investors share in that optimism.

—LINDSEY WILSON/SMITH AND BRUCE WAGLACE/INTEL



Gosselin expertise



Dome president John Macdonald (left) and Macdonald's possible sale

Dome maps its strategy

It has become known as the Titanic of Canada's oil industry. Last week in Calgary 700 people—806 of them employees—gathered in the city's huge convention centre for Dome Petroleum Ltd.'s annual meeting. There, chairman J. Howard Macdonald described his efforts to keep the company in operation. But Macdonald's message was not encouraging: Canada's largest corporate debtor—with a \$6-billion balance—had lost \$72 million in the first quarter of the year. And the chairman predicted even worse results in the second quarter. With its cash flow depleted because of the recent collapse in oil prices, Dome last month delivered \$280 million in interest and principal payments until Dec. 31—the deadline set with its 36 lenders to reach a new debt restructuring agreement. If that effort is successful, Macdonald said, the company may put itself up for sale in 1987. He added, "Reports of our death are greatly exaggerated."

Dome defaulted on some of its loan payments last month, but industry experts said there is no indication that its bankers intend to force Canada's largest independent oil and natural gas company into bankruptcy. If the banks did call for full payment of their loans, they would then have to find buyers for Dome's oil and gas assets—all of which are pledged as collateral against its debt. As well, closing Dome would create havoc for thousands of other bank customers who deal with

the company's oil and natural gas production facilities and pipelines. Said Calgary-based oil analyst John Lloyd-Price of Gordon Capital Corp.: "Putting Dome into receivership is not a workable solution."

As a result, the bankers have a strong interest in helping Dome find ways to meet its debt burden. Meetings to arrange a new financing package began last week in Toronto. For now, the 36 domestic and international creditors, led by the Canadian Imperial Bank of Commerce (CIBC), which is owed \$1 billion, have agreed to waive Dome's loan payments until a more permanent solution can be arranged.

Analysts believe that a key feature of any new agreement will require the bankers to write off some of Dome's debt. The reason: the oil price collapse has eroded much of the value of the oil and gas assets supporting Dome's loans. Analysts predict that the lenders will write down as much as \$25 billion of Dome's \$6-billion debt to reflect the lower value of its assets. In return, the banks would receive stocks and bonds in the company.

To cut costs, last April Macdonald slashed the company's \$250-million capital budget to \$144 million and that down 350 high-cost oil and gas wells. He also announced that Dome's head office staff would be reduced by 12 per cent this year—150 employees were released immediately and another 128 are to be cut through attrition. Despite

those savings, he estimated that Dome would need a price of \$35 a barrel for its oil to break even. But last week the world price closed at \$18.

When the new debt plan is in place, Macdonald faces still another tough round of negotiations. Officials at its key lenders, the CIBC, the Royal Bank of Canada, Bank of Montreal, The Toronto-Dominion Bank and Citibank N.A. of New York, have said they want to sell off the best of Dome's assets in an attempt to recover some of their losses. Dome has more natural gas reserves and land holdings in Western Canada than any other

Canadian energy company, and its operating costs per barrel of Canada's top operating oil and gas wells. But Macdonald said he favors selling Dome as a whole because the price would be better and that way its shareholders and unsecured creditors would be entitled to a share of the proceeds.

Macdonald also has a personal interest in the sale. If Dome merges with another company or is sold, he will receive a bonus of \$2.1 million. And if he restores the company's financial health, he will also benefit. Last week the shareholders approved a 10-week option that would allow the chairman to purchase 1.5-million Dome shares at \$2.75. The stock closed at \$1.30 last week.

The 50-year-old Scotswoman joined Dome in December 1982 after a 22-year career with London-based Royal Dutch/Shell Group. He was attracted by a lucrative employment package, which includes a salary that last year reached \$971,600 and a \$306,000 annual bonus when the company's profits were high.

During the three years that he has led the firm, Macdonald has earned a reputation as a tough negotiator from the bankers. Said Robert Mathew, president of Roderick Mathew & Co., a New York-based investment analyst and Dome's main stockholder: "He is a very penny of it. When you are a company carrying a \$6-billion debt load, that's a very important person."

Last week Dome's shareholders—many of them employees—appeared confident that their chairman would continue to lead them successfully through stormy waters.

—JOHN BOWEN in Calgary

Mexico's debt casualty

For the past four years, Mexican Finance Minister Jesus Silva Herzog has been at the forefront of efforts to resolve Latin America's \$500-billion debt crisis. But last week's terms, outlined in an agreement issued by Mexico president Miguel de la Madrid said that the 51-year-old Silva Herzog had been replaced by Gustavo Petrosini, 37, currently director of a government industrial development bank, Nacional Financiera. Silva Herzog's abrupt departure took place during negotiations aimed at preventing Mexico from suspending payment on its \$100-billion foreign debt and it surprised many members of the world banking community.

Some banking experts said that Silva Herzog had lost an internal power struggle—indicating that Mexico may be preparing to take a tougher stance with its creditors. Said one Mexican finance ministry official, who asked not to be named: "We had one earthquake here last September. Now we have had another." With the collapse of world oil prices this year, officials have been warning that Mexico might not be able to pay the \$12.5 billion in interest that it owed this year on its

debt. The country's earnings from oil in 1985 are expected to fall by about \$8.7 billion from the \$15.5 billion it reaped in 1984. In a speech from the presidential palace late last February, de la Madrid declared that Mexico planned to adjust its debt payments in accordance "to the country's ability to pay." But that has not yet happened—a fact that reflected opposing views within de la Madrid's cabinet.

The falling oil earnings have caused massive internal economic disruptions. Inflation is running at an annual rate of 30 per cent and interest rates are approaching 80 per cent. The peso has also plummeted. A year ago it cost 225 pesos to buy a Canadian dollar, but by last week the rate stood at 485 pesos.

Talks have been under way for months between Mexico and the International Monetary Fund (IMF), to ar-

range a \$1.4-billion standby loan agreement to help Mexico make its interest payments. In exchange for loans, the IMF is demanding that Mexico cut by half its projected deficit of 15 per cent of its gross domestic product. Traditionally, the IMF has also demanded that debtor nations carry out economic reforms, including selling state-run enterprises. An accord with the IMF is needed before Mexico can arrange a new pact with its lenders, mainly North American and European banks. The pact would likely consist of about \$8 billion in new loans.

The division within the Mexican cabinet has control on what concessions the country should make in exchange for new loans. Throughout his tenure as finance minister, Silva Herzog proved consistently his budget cuts and pay-

ment of interest—two key demands of the IMF and foreign banks. His closest cabinet ally has been General Bank director Miguel Mancera, who favors keeping a tight reign on spending and credit in order to keep



Silva Herzog replaced

institutions under control.

But Silva Herzog was opposed by a cabinet faction led by Budget and Planning Minister Carlos Salinas de Gortari, the president's main trusted economic adviser. He favored a tougher approach with Mexico's creditors and he had been arguing for a year that the IMF's austerity policies were strangling Mexico's economy.

Three weeks ago, at talks with the IMF stalled, Silva Herzog declared that Mexico might be forced to stay, at least temporarily, some debt payments unless the country received more financial assistance. That statement, along with claims by unofficial sources that Mexico might soon default, helped push the peso down to 540 as the dollar on June 10 from 225 on June 4.

Two weeks ago in an attempt to break the stalemate with the IMF, U.S. federal reserve chairman Paul Volcker flew to Mexico City in a meeting with Silva Herzog. Volcker said he would urge the IMF to drop its demand that the government cut its spending. In exchange, Mexico would keep up its debt payments. Political insiders say that Silva



Silva Herzog surrounded by a sea of free market symbols, including a boombox and a calculator.

Herzog suggested his cabinet rivals by pressuring Volcker that Mexico would try to meet the IMF halfway. By opposing a delay of debt repayment—an action that many officials had concluded was inevitable—Silva

Herzog found himself isolated. According to political observers, Budget and Planning Minister Salinas de Gortari was instrumental in convincing the president that the IMF program would entail intolerable sacrifices, including cuts in food and social service subsidies that could lead to social unrest.

Last week Mexico's officials bawled to reassure world bankers that the cabinet switch did not indicate a major change in Mexico's financial strategy or its debt negotiations. But Petrosini is not expected to enjoy the leeway granted to his predecessor—a privilege that may have been partially responsible for Silva Herzog's downfall. Said one U.S. official: "His

autonomy made him effective and respected abroad, but it also made him a target at home."

—MICHAEL SALPER with WILLIAM ORRIN in Mexico

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A PROUD CANADIAN

A treasure of summer reading

By Peter C. Newman

What question, the season's most useful business book is the making of Canadian corporate cultures published as the 100 Best Companies in Work For in Canada (Culiville), by *Financial Post* writers Eric Lantz, Robert L. Perry and Jim Lyon. No literary effort, it does provide the most interesting look at internal corporate behavior in this country, singing out the best and, by process of elimination, the worst of our major employers.

The companies that have "the best spirit" (such as Apple Canada Inc., Four Seasons Hotels Ltd., Roper's Drug Mart and Canadian Pacific Hotels), also often appear on the lists as being best for women, best for education, etc. Not surprisingly, the most pleasant companies are not generally the best paying, which tend to run more to technical outfits such as Northern Telecom Ltd., Imperial Oil Ltd., Eroy Industries Ltd., Imperial Tobacco Ltd. and Enso Resources Canada Ltd. At Enso Resources, according to the authors, you see likely to have practical jokes played on you—when someone puts a live frog on your computer terminal, for instance.

The need seems to be similarly peculiar at Donald Corman's Principal Group Ltd., where the boss has been known to station off 30 of his Black Angus hounds amid the marble and mahogany splendor of the stairway connecting his two executive floors. Good for morale, no doubt.

The most intriguing of the 100 listed companies is Apple Canada, which functions more like a cult than a business enterprise. There is no formal career progression, so authoritarian management, and the company seems to reach decisions by consensus. "I admit I don't have all the answers—hope that the team does," says president David Kilian.

This intelligently researched and easily perused book will provide some ammunition for critics of the capitalist ethic because it convincingly documents that happiness can be found within the corporate environment—if you are savvy enough to choose the right boss.

More specialized but particularly timely is *Pacific Challenge*, Conrade's *Future in the New Asia*, by Eric Downes (Stoddart). A primer on how we should be approaching the golden but somehow elusive opportunities of the

Pacific Rim, this brief but useful book comes out strongly against the existing Ottawa outlook which still reflects a view of the world across the Atlantic instead of taking into account existing trade figures which clearly show that most of the future action will be at the other end of the country. We have had a trade mission to Australia since 1986 and diplomatic representation in Japan since 1989 but, says Downes, "our ambassadors... have often seemed more



MacLennan: A literary miracle

concerned with trying to sell CAVES: unclear reactions than with performing the fundamental tasks of diplomacy."

Downes suggests that Ottawa designate a minister for Pacific affairs, and quotes approvingly from Dr. Gordon Jones, a Vancouver expert on the Pacific Rim, that "until the Canadian concept of the work ethic changes, both as the part of labor and management," this country will not be in a position to profit from Asian trade opportunities.

This is a handy introduction for Canadian businessmen who want a readable primer on the Pacific Rim; the next author who tackles the subject should have some successful case studies to report.

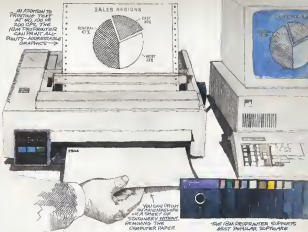
Another surprisingly useful book is *Innovation: The Attacker's Advantage* (Summit Books) by Richard N. Foster. One of the sagging shelves of spin-offs from *Secret of Success*, this is a highly technical volume with a central message: if you want to compete, get on past technologies and jump into a frenzy of constant innovation. Foster makes his point by citing specific examples (describing, from the most complex aerospace challenges to how Procter & Gamble captured most of the disposable diaper market) and points out that no amount of fine tuning of corporate cultures will save an enterprise if the wrong technology and research decisions are made.

The most accessible business book is *Sheriff MacLennan's Breakdown—Three Founding Partners in Nineteenth Century Canada* (McGill and Stewart). The author has performed a literary miracle by reuniting the lives and times of six generations of fascinating Canadians: the Cosses, MacLennans and Trevers.

In a lively style that approaches cinematography, MacLennan uses the private stories of members of the three families to recreate a century of Canadian history. They were there during the first Red Rebellion and the burning of the Montreal Parliament buildings in 1849. One colonized the Calgary shantytown, another became Commissioner of the North West Mounted Police and still another a bishop.

The main source for most of this material was nearly 10,000 letters collected by various members of the families, some of the handwriting "bold with conviction, wobbly with heartache, teary with grief from drink" some are crissed in handsome loan envelopes, is others pomposes and bluebills still lie pressed between their pages." For anyone interested in the emergence of that vaguely defined character known as a "western Canadian," this is essential (and entertaining) reading.

The best political book of the season by a country side is Ron Graham's *Over-Exposed Kings* (Collins), a masterful dissection of the pride and paralytic of our four most recent prime ministers. Like it or not, they set the agenda for all of us



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JUSTICE

A new bid for freedom

After graduating from high school with a straight-A average in 1982, Bruce Curtis says that he expected to attend Dalhousie University in Halifax that fall. But for the past four years the quiet 32-year-old from Middletown, N.S., has worn an ill-fitting prison uniform while serving a 20-year sentence for his involvement in two New Jersey killings. Lawyers working on his behalf say Curtis did not receive a fair trial, and his relatives and

on a visit to Loch Arboir, 86 km south of Newark, N.J. Testimony at Curtis's trial showed that he had entered a violent-prison household where Franz's stepfather, Alfred Podgus, often punched his wife and stepson and regularly threatened them with guns from his relatives. Then, on the morning of July 5, 1982, after eight days of domestic strife, Franz shot and killed his stepfather in an upstairs bedroom of the stone house. And when Franz



Curtis: a widely publicized trial, failed appeals and a 20-year prison term

friends are concerned that he is vulnerable to attack from other inmates. But new Toronto lawyer and international law expert Gerald Morris has convinced Ottawa to use diplomatic channels to send a clemency plea prepared by Curtis's lawyers to New Jersey Gov. Thomas Kean. As well, Morris's has examined newly available information on private negotiations between the prosecutor, police and Curtis's former friend Scott Franz. The documents raise new issues about the state's handling of the case.

Newville, Curtis is a New York prisoner in Bardonia, N.J., only 10 km from the governor's office in Trenton. He writes poetry and works in the prison's education centre filling data on computers. As well, he needs to beat his case the frequent fights among prisoners.

Curtis was convicted after a widely publicized trial in March, 1983, and two subsequent appeals failed. Late in June, 1982, Curtis was convicted Franz

close downstairs, he found Curtis holding a hunting rifle and standing over Rosemary Podgus's dead body.

At Curtis's trial, defence lawyer Michael Schottland said that when his client heard the gunshots upstairs he grabbed the loaded rifle and began to leave the house. Instead, the defence lawyer said, he collided with the woman, causing the gun to fire accidentally. The lawyer also argued that the two youths had panicked after the killings and fled instead of calling the police. Five days later, police arrested the two fugitives in a suburb of Dallas and returned them to New Jersey. There, Franz pleaded guilty to murder. But instead of life imprisonment, he received the minimum 20-year sentence after testifying against Curtis.

The jury acquitted Curtis of murder but found him guilty of aggravated manslaughter. Although Curtis had no previous criminal record, New Jersey Superior Court Judge John Arnes-

gave him the maximum sentence of 20 years. But U.S. and Canadian legal experts say that the judge committed serious procedural errors. Among them: allowing testimony that included gory details about the murder of Alfred Podgus—a crime for which Curtis was not at trial. And Toronto criminal lawyer Edward Christie says, "This sentence, for a lay like Curtis in those circumstances, was outrageous."

During the nine-day trial prosecutor Paul Chast referred to Curtis as the evil mastermind behind the killings. But according to a New Jersey private investigator who worked on Curtis's defence, the prosecution could not have made that charge without Franz's testimony. Investigator Dennis Fahey interviewed Franz shortly before the Curtis trial began and in the tape-recorded prison interview Franz revealed that his lawyer and the state prosecutor had told him that "it would be hard to make a case" against Curtis without Franz's co-operation. Declared Fahey, "Without Scott Franz, the state had no case against Bruce Curtis, and Franz has changed his story or admitted lying a number of times."

In his efforts to obtain Curtis's freedom, a new trial or a reduced sentence, his relatives have spent more than \$100,000 as lawyers' fees alone. Last year a New York City law firm filed a petition with a U.S. federal court judge arguing that their client had been "unlawfully detained" as a result of gross legal error.

Curtis might have to wait another year before the judge hears that plea, and his lawyers acknowledge that such petitions rarely succeed. Curtis's lawyers also have to wait for as much as a year before Gov. Kean responds to the clemency plea. As a result, his best chance of returning home may be contained in a proposed state law which would permit Canadian inmates serving time in New Jersey institutions to complete their sentences in Canada. The proposal is expected to become law by December, but Morris said that he would consider such a transfer only as a last resort, because Canadian authorities would be powerless to detain his client's murderer.

For his part, External Affairs Minister Joe Clark has denied repeated requests that he press U.S. authorities for a formal review of the case—a request which angers Curtis's relatives.

But an Atlantic Affairs official told Morris's that, while Ottawa could not formally involve itself in the campaign to free Curtis, transmitting the plea through diplomatic channels would undermine Canadian concern. And on June 3 an official from the Canadian consulate in New York began the first in a series of monthly visits to Curtis—an other unusual action. Declared Morris, "There has been a discernible change of attitude by some officials, possibly because we have brought new facts about the case to their attention."

Curtis himself says that he is reluctant to place too much hope in



Endless appeal for freedom

the measures being taken on his behalf. Appearing pale, underweight and younger than his 32 years, Curtis said Morris's that he spends much of his time studying and reading. He added that one of his principal concerns is to avoid the frequent fights among his fellow inmates. To this end, he shares the prison dining room, preferring solitary restaurants made of soap, fruit or cheese in his cell. Curtis did not seem better about his treatment, but he would like to go home well before July 15, 1986—the first possible date for his parole. Said Curtis, "After 10 years in prison I would have gone through a lot of changes that may be permanent."

If supporters hope that they can win his release before that occurs

—MALCOLM GALT WITH MICHAEL REID
in Bardonia

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HISTORY

Tracking a dead traitor

Rumors about the fate of Christian Lindemann, the Netherlands' most infamous traitor, have intrigued Dutch historians for more than 40 years. Nicknamed King Kong because of his bulky 6-foot, 5-inch frame, Lindemann was a courageous resistance hero who became a double agent for the Nazis in order to save his younger brother, Henk, captured by the Germans in 1943. He then

staff described lax security, and one aide told of seeing top-secret messages strewn among empty champagne bottles as Dutch officers indulged themselves in high living rather than the business of war. And historians say it was Lindemann who supplied information to the Germans about Operation Market Garden, an Allied invasion at Arnhem in September, 1944. That advance warning contributed to an Allied



Opening Lindemann's grave: a Nazi double agent, royal consort and a suicide pact

betrayed 250 resistance companions to the Nazis. But in June, 1946, officials reported that Lindemann, 44, had cheated the firing squad by swallowing barbiturates in a suicide pact with a nurse at Scheveningen prison near Rotterdam. Rumors to the contrary soon surfaced: one was that he had fled to South America. As a result, Dutch police educated the masses under Lindemann's confinement in Rotterdam's Crouweyk emergency tent, week and laid that story to rest. Sud psychiatrist Martin Voortman: "There is no doubt that it is the body of Mr. Lindemann."

Still, the examination only removed part of the mystery. Some war historians continue to speculate that he was poisoned with arsenic or beaten to death by the Dutch secret service after the war to avoid a scandal which could have embarrassed repatriate historians say they suspect that Lindemann obtained Allied secrets through the mediation of Prince Bernhard, who commanded Dutch forces from headquarters in Brussels in 1944. Postwar accounts by members of Bernhard's

debut which prolonged the German occupation of the Netherlands over the final winter of the war, during which about 100,000 Dutch died of starvation and exhaustion.

The Lindemann affair leaves a legacy of unanswered questions. For one, archivists have established that officials furnished two different dates for Lindemann's death and that ambulance records contradicted hospital documents. As well, Tina Underlinde, the nurse who allegedly took part in the suicide pact, survived until 1982, when she died in a car accident in South Africa. And some war researchers suspect she worked for Dutch intelligence. Last week, while Henk Lindemann and two of Christian's daughters stood by at dawn in the peaceful, leafy cemetery, the gravediggers provided some facts. But the story of the brainwashed ex-mechanic who betrayed his countrymen is still not complete. Declared historian Eusden Korthuis-Kien: "The chase for King Kong has ended. The hunt for the truth continues."

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A tangled web of police corruption

The violent incident abruptly ended one man's 18-year career as a police officer. Charged with murdering two other officers in Quebec City after they arrived at a whore house that he had visited late last July, Serge Lefebvre, a former police sergeant in neighbouring Ste-Foy, attempted to avoid arrest by shooting himself in the chest on July 5, two days after the double murder. Not Lefebvre survived and the convicted murderer—now serving a mandatory 10-year prison sentence—has added his testimony to another controversy in an unexpected appearance before a Quebec police commission inquiry into the Ste-Foy police department, the 41-year-old Lefebvre admitted last week that he committed up to 400 thefts during his career—but he claimed that he was an honest civilian. Said Lefebvre: "I never stole out of uniform."

As well, the state, heard Lefebvre testified that the department had severe internal divisions and that many of its personnel—including senior officers—had serious alcohol problems. Parole authorities in Ste-Foy, a Quebec City suburb of about 60,000, Lefebvre's testimony focused more attention on the troubled department behind the six-week-old inquiry—the third investigation of the force in the past nine years—has heard from about 10 officers from the 150-member force. And last week Det. Jules Dubois, president of the Ste-Foy police union, testified that he withdrew a demand for the police chief's resignation last July after receiving threats on his life.

So far, much of the hearing's testimony has centred on the department's chief, André Ste-Marie, whom some officers have described as a religious fundamentalist. As well, some witnesses said that about 15 police members of Carrefour Christ in Le Capre, a religious group affiliated with the Pentecostal Assembly of Canada, tried to convert other officers during working hours. In fact, some witnesses have said that promotions within the department appeared to depend on the applicant's religious beliefs. Declared Dubois: "We began wondering whether we were supposed to be enforcing the Criminal Code or the Bible." Moreover, Dubois also testified that between November, 1984, and July, 1985, he saw Ste-Marie under the influence of alcohol at work as many as eight times.

While some witnesses have occasionally caused laughter among spectators

at the public hearing, Ste-Foy mayor André Boucher said that the force's problems are extremely serious. Elected last November, Boucher, 48, began his mandate by announcing that the would listen to any police officer who wished to speak to her. By Dec. 24, 90

longer, Lefebvre, who was a citation in 1980 for shooting a bank robber, testified that he was emotionally exhausted by the job and had an uncontrollable urge to steal. Said Boucher: "For me, the most painful part is knowing that we could have prevented



Lefebvre (left) at hearings: death threats, blackmail and alcohol problems

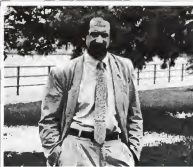
officers had voiced her offer. The mayor said that because of what they had told her she suspended Ste-Marie with pay on Jan. 4, said Boucher. "According to Ste-Marie, there were no longer any problems with the department. But if we hadn't done something, there would have been a revolt."

Other testimony indicated that the revolt had already begun. Ste-Marie testified that he received death threats from his own men before the inquiry. He claimed that he had been followed, that his phone had been wiretapped and that officers, whom he did not name, had blackmailed him after he had tried to dismiss a popular detective. That man is Raymond Audette, acquitted of receiving stolen goods in 1982. Ste-Marie said that the Audette affair resulted in so much bad feeling within the department that he and other senior officers were reluctant to investigate Lefebvre's activities as a

lot of this. Why nothing was done. I don't know."

At the end of the inquiry's sixth week, a civilian watchdog of the department, Michel Letarte, pleaded guilty to charges of selling confidential information to another person, he was arrested after he provided the identity of Letarte-placed holders to two undercover provincial police officers. Still, Boucher says that Ste-Foy can rebuild its police department. Said the mayor: "We are going to have to have the courage to do a cleanup. It is incumbent on policemen to do a good job in the department's existing atmosphere." When the inquiry makes its recommendations, Boucher says she will take measures to remove order in the force. But it may be far more difficult to restore public trust.

—DAN BURKE in Montreal



Oppenheimer, predicting floods, temperature increases and a cancer epidemic

ENVIRONMENT

A threat to human life

The predictions were almost too frightening to contemplate, some of the world's best farmers

land turning into desert and causing the worst famine in human history. Irreversible floods submerging huge sections of the planet's coastal plain. And a new epidemic of cancer. Those apocalyptic forecasts were among the prophecies of reputed scientists attending a United Nations conference on impending climate change, held last week in Arlington, Va. A week earlier, before the U.S. senate Subcommittee on Environmental Subcommittee, scientists made similar predictions about the effects of man-made changes to the atmosphere. Said Michael Oppenheimer, a New York-based physicist who testified on both occasions: "Our children will grow old in a world that is fragmenting and disintegrating. No one knows at this stage if there will still be a safe for humanity."

The theory on which the scientists based their predictions is well established. Called the greenhouse effect, it is caused by the presence of carbon dioxide in the atmosphere, produced by the burning of fossil fuels. According to the theory, the gas acts as a filter in the sky permitting sunlight to enter the atmosphere but preventing the heat it generates from radiating back

into space. The result: the earth's temperature increases—with potentially catastrophic effects.

One reason for the new alarm is that, as well as increasing concentrations of carbon dioxide, scientists have identified several other gases as contributors to the greenhouse effect. They include methane and chlorofluorocarbons (CFCs), which are used in refrigerators, solvents and plastic foam. More seriously, researchers express growing concern that the CFC gases also deplete the layer of ozone gas that protects the earth from harmful ultraviolet radiation. Said Senator John Chafee, a Rhode Island Republican who chaired the senate hearings: "What is irreversibly altering the ability of our atmosphere to perform life-support functions. It strikes me as a form of planetary Russian roulette."

Ozone, concentrated in the stratosphere some 20 miles above the earth, blocks more than 90 per cent of the ultraviolet radiation that reaches the outer atmosphere. Unchecked, that radiation would destroy all animal and vegetable life. Indeed, the U.S. Environmental Protection Agency (EPA) has the endorsement of the Arlington conference—recently declared that a reduction of as little as 25 per cent in stratospheric ozone could result in as

additional 15,000 human skin-cancer deaths each year. But in a recent edition of the respected scientific journal, *Nature*, two groups of U.S. scientists reported a staggering 30-per-cent drop in ozone above the Antarctic last fall. (Like the U.S., banned CFCs in most household aerosol sprays in 1978, Canada followed suit in 1986. Industry still releases more than 650,000 tons of CFCs into the atmosphere each year.)

At the recent meetings, scientists also implicated CFC gases as the major cause behind renewed concern about the greenhouse effect. According to James Hansen, an environmental specialist with the National Aeronautics and Space Administration (NASA), by early in the next century the global temperature will have risen well above any level experienced in the past 100,000 years. He said average temperatures over North America could increase as much as 3°C by 2030. Most scientists agree that such a change would cause the polar ice caps to partially melt, raising the sea level at least three feet before the middle of the next century. Said Sherwood Rowland, a University of California chemist: "If this goes on indefinitely, you have a temperature rise that will extinguish human life within 500 to 1,000 years."

The consequences in the near future will affect many. Most obvious will be the disappearance of beaches around the world and the permanent flooding of such vulnerable areas as South Florida, Bangladesh and northern England. But the temperature changes will also change rainfall patterns. Oppenheimer said that at the present rate, the major agricultural areas of the United States and Europe will dry out through lack of rainfall. By about 1990, he said, the United States would be dry. He said, resulting in a fall in spring wheat yields of 35 to 50 per cent by early in the next century.

Chafee told the conference that he wants the U.S. government to launch a series of studies on such a greenhouse effect and ozone depletion, in order to implement specific new regulations on such CFC gas sources as air conditioning and refrigeration equipment. If nothing else, the recent meetings in Washington demonstrated that climate studies are far from a glassy-eyed exercise which requires concerted international effort.

—WILLIAM LAWYER in Washington

The Golden Bear's race for the Open

From the last fairways and ringing the treacherous crotches of the Glen Abbey Golf Club in Oakville, Ont., tens of thousands of golf fans will jostle for position this week to catch a glimpse of the greatest player in the history of golf. He will be just one of 153 golfers striving for the 75th Canadian Open championship, the 24th Macgrieg Trophy, and the winner's cheque of \$153,000. The other 151 will also be watched, cheered and applauded. Among them will be defending champion Curtis Strange, three-time Canadian champion Leo Trevino and six other former champions including Australian star Greg Norman. But they are not the reason that officials predict record crowds. Those men are not the game's one true superstar: Jack Nicklaus.

After 25 years on the Professional Golfers' Association (PGA) Tour, increasingly populated by no-name look-alikes in matching pastel, Nicklaus still reigns. In April at the Augusta National Golf Club in Georgia, at age 45, Nicklaus won a record sixth Masters tournament. That winning victory raised his record total of triumphs in major tournaments—the Masters, U.S. Open, British Open and PGA Championship—to 30. Like few professional golfers before him, and like few athletes in any sport, Nicklaus's excellence and dominance span three decades. At the helm of a sometimes-troubled corporate conglomerate, Golden Bear International, and at the pinnacle of his sport, Nicklaus has little left to conquer—except the Canadian Open. The Open, on a course that he designed, is the only tournament of significance that he has not won. Said Nicklaus: "I have been frustrated. I have finished second eight times, and missed a playoff by one stroke. I'd love to win the Canadian Open."

It would be fitting in this year of the veteran golfer if Nicklaus should finally win the Open. At 45, he became the oldest player to win the Masters. Last week Raymond Floyd, 46, became the oldest to win the U.S. Open, with Trevino, 44, just three strokes behind. Said Nicklaus: "I read before the Masters that I was already in the December of my career. So now I don't know what month I'm in. I just put myself somewhere in the second half."

His popularity was a factor this morning. When he joined the tour in 1962, Nicklaus was a fat 22-year-old with a porkpie hat pulled down over a



Nicklaus succeeds in business, defying the predicted end of December

blind brush cut. The game had only recently caught the public's imagination, due almost solely to the exploits of the trim, hair-slicked and charismatic Arnold Palmer. Suddenly, the pudgy kid from Ohio was thundering down and runs farther—and stronger—than anyone. Desired golf legend Bobby Jones: "Mr Nicklaus plays a

game with which I am not familiar." Not only did Nicklaus revolutionize the game with his soaring shots, but he also overthrew Palmer as the king of golf. By the mid-1970s, finally crowned in his role as the game's hero, Nicklaus showed down and let his now-famous golden locks grow. The formerly gangly master putter, who

named the Golden Bear, began smiling at the new media parties. While his life had been unquestioned, he now also looked the part of a golfer; he, and the firm finally accepted the new sequence. They started wearing Golden Bear golf balls with MacGrieg as golf clubs, after Nicklaus bought the MacGrieg Golf Company. They bought such Nicklaus-endorsed products as Postfests, Bostonian golf shoes and Hathaway sportswear. And they purchased houses on Nicklaus developments and even found themselves playing on Nicklaus-designed courses.

As his career progressed, Nicklaus's business interests demanded more and more of his time. His business required almost all his time in the first half of 1980. Said Nicklaus: "When I go out and play golf, I don't know whether I'm going to win or not. But if I go into a business deal, generally speaking I own most of the cards. I pretty much get what I want out of it." But late last year Nicklaus decided that he was not getting what he wanted out of Golden Bear International. Said Nicklaus: "I had something like 65 entities. Some of them were shell corporations that did nothing, some were formed for reasons that were no longer valid. It took me four or five months to bring it all back into focus—to find out what the companies are for, what the companies do. We were getting involved in investing in things like shrimp farms and satellite TV companies. I had no business being involved with these things. I don't want to build an empire. I'm not trying to build an empire. The business is finally under control, going in the direction I want it to. It's the best it has been for 15 years."

Golden Bear International is now as lean as its president. From 25 entities, only five remain, and all are related to golf. Separate companies include MacGrieg Golf Co., Jack Nicklaus Golf Services, a golf course design and consulting firm, and Jack Nicklaus Development, a land development company. But, despite the problems, Nicklaus said: "If I had only to play golf, to me that would be totally boring. And I am sure that because of all the other things I have done I have played much better golf through the years."

Golf has obviously been good for Nicklaus. But so the game's senior statesman he is concerned about the chances of the Tour's young players benefitting as much as he has. Nicklaus says that the PGA Tour, under commissioner Davis Love III, works against the development of superstars. Nicklaus showed down and let his now-famous golden locks grow. The formerly gangly master putter, who

made, was from outside golf tournaments. But there is so much suspense now that there is no way to separate the players."

In his 32 years as commissioner, Love has gradually moved the PGA Tour into marketing and course de-



Strange (above), Nicklaus supporting card of talented younger champions



sign. Both moves, says Nicklaus, have inhibited the emergence of superstars. He added, "Every time a golfer wants to go out and sell a shirt or build a golf course, we are up against the official sport, the official race, the official test and that, of the PGA Tour." Nicklaus said the case of Strange, saying, "Don't let the money-winning record last year, but I don't see any endorsements coming out of that except some PGA

Tour stuff. If the Tour did not have its marketing program, I think a lot of companies would have had Curtis out there for them." Responding to the criticism, Bob Chardon, director of public relations for the PGA Tour, said, "Our marketing program is designed to help all golfers on the Tour, not just the few."

Nicklaus also criticizes the Tour's course-building. The Tour has built and owns 34 stadium courses, designed with earth mounds to provide spectacular vantage points. Said Nicklaus: "The problem is that the stadium courses are all alike. I don't like it, and I don't think the other players like it. The holes look different, but the greens are all the same speed and the fairways are all the same turf. So you have the guys essentially playing the same course every week." For his part, Chardon denied that the Tour creates lack variety, saying, "The Tour employs a number of architects and player consultants as course designers."

As for players with designs on his crown, Nicklaus sees no obvious successor. Golf has always had its reigning superstar—from Walter Hagen through Ben Hogan, Palmer and the Golden Bear. In fact, in their millions, seem to need one to cheer for, to talk about, to seek to emulate. Nicklaus says he understands the need, and would like to see it met. But as his reign nears its end, he says he is still looking for a crown prince. Said Nicklaus: "I don't really see anyone out there, other than Steve Ballmer, who others think is dominant type of fan. Bernhard Langer doesn't look like he has it, but he's up with the leaders every week. Greg Norman has the ability, but he hasn't won a major tournament yet." Given his often-bark criticism of the U.S.-dominated PGA Tour, it was perhaps inevitable that Nicklaus would think foreign players—Ballmeres of Spain, Langers of West Germany and Normans of Australia.

Whoever emerges at the top will have to battle Nicklaus to get there. Nicklaus says that he will continue actively to win more than 10 tournaments each year, but fear of the age are the only golf's ranking superstar must dominate—the majors. The other two—the Canadian Open and the Memorial—will Nicklaus hosts at the Morrice & Valley Golf Club in the Colombian, Ohio. Said Nicklaus: "In a few years, when I'm 50, I'll look at it again. Then, in all fairness to the senior tour and golf, I'll probably play a few tournaments on the senior tour. That's what I'll play from now on. I'm certainly not going to retire."

—BIL QUINN with CHARLES HORNOLD in Toronto

Some observers of the Royal Family say that **Capt. Mark Phillips**, 37, husband of Britain's Princess Anne, 35, should have a royal title in his own right. Phillips said, "I have nothing for or against a title. I have been called a lot of things in my day." But Phillips added that he did not think titles would be appropriate for his children, Peter, 8, and Zara, 5. "They won't be involved in Royal duties like Prince Charles, Princess Anne and Prince Andrew." Declared Phillips, who retired from the British army in 1978 to run a grain and cattle farm: "They'll have to go out and earn a living like everybody else."

Screenwriter **Marlo Shain** usually writes about relationships between men and women. But the 36-year-old author of *Some Men Are More Free* shot **Alan Oakes** says she is considering offers to publish a book she "didn't



Shain looking over the '90s pillow

about her dog, Chimpah. Shain says that she slept with Chimpah until a last year ago. "I slept on the '90s pillow, the dog slept on the '90s pillow," she added, when "a nice young man" came into her life and took over the '90s pillow. "The dog had to make some concessions."



Dooly writing 'incredible material' since the death of boyfriend Jon-Erik Hexum

Actress, singer and songwriter **Elizabeth Dooly** says the 1986 death of her boyfriend, actor **Jon-Erik Hexum**, had a positive effect on her work. Hexum, 38, accidentally shot himself in the temple with a .44 Magnum revolver loaded with blanks on the set of his TV series, *Cover-Up*, he died six days later. Says Dooly, 32: "It was tragic, but after the shock I began writing a lot of really incredible material." As an example, she cites *Just For You*, a track from her first solo album, *Wild Child*. Said Dooly: "It is a beautiful song. Nobody knows this, but I wrote it when Jon was in a coma."

Editor and publisher **Otto Penzler**, 43, owner of New York's *The Mystery Book Shop*, says he is a fan of Columbo, the TV detective series starring **Peter Falk** that is still playing in reruns. Said Penzler: "Falk is a customer of mine and I'm telling you, he is Columbo." Penzler described a recent visit Falk made to the bookshop. "He walked in wearing a trenchcoat buttoned wrong, he knocked over a pile of books, bent over to pick them up and knocked over another pile." Then, added Penzler, he opened his 30-year-old wallet and started looking for money in it. He scratched his head—there was no money there. He pulled out an old piece of paper and said, "What the hell's this? Must be a bill."



Phillips, unbilled

New York doctor **Robert Giller's** book, *Medical Myths*, advises readers how to escape from addictions to sugar, alcohol, coffee and cigarettes. The idea, he said, is to "buckle one thing at a time—so that after three to six months you don't have to take it anymore. Giller, 44, said that he based his addiction treatment program on the system he has had to provide private practice with such celebrities as **Pie Zosser**, **Wendelin Klend** and **Ronnie Zager**. For her part, Zager says she tries to follow Giller's advice. Declared the 30-year-old actress and singer: "If I gain two pounds, my face looks fat."

Canadian **Des McAnuff** is swiftly becoming one of the most influential directors in American theatre. Since 1983 McAnuff has been director of the *La Jolla Playhouse* in California, which recently received a coveted invitation to mount a production at Washington's John F. Kennedy Center for the Performing Arts. Financed by American Telephone and Telegraph, McAnuff, who grew up near Garibaldi, Ore., directed *Macbeth* at Ontario's Stratford Festival in 1983. But he says he has no current plans to return to Canada. Added McAnuff, 38: "I have lived in the United States for 10 years now. This is where the opportunities have been for me."

—Edited by MARY McFEE

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BOOKS

Casualties of peace

THE WAR: A MEMOIR

By Marguerite Duras
Translated by Barbara Bray
(Random House, 282 pages, \$20.95)

Marguerite Duras has long been one of France's most fashionable writers. Her books could easily strike people from Parisian guest lists for not having read her best-selling 1984 semi-autobiographical novel, *The Lover*, quickly enough. Now, with *The War*—published in France last year as *La Douleur*, or "pain"—she demonstrates once again that she is a writer of rare emotional intensity and artfulness. Although three of the stories in the collection fall short of the standards Duras's readers have come to expect, the title work, *The War*, is a vivid and honest evocation of the period immediately following France's liberation from the Nazis.

In her introduction to the title piece, Duras writes that it is a nonfiction diary which she wrote in 1944 as she awaited the return of her husband, Robert L., a prisoner of war. He had been detained in a concentration camp for his Resistance activities. Duras reports that she came across the papers in an old cupboard in her country house, and she calls the diary "one of the most important things in my life." But the writer is either coo or sarcastic, stating: "It is impossible to me that I could have written it while I was actually awaiting Robert L.'s return [But] I recognize my own handwriting and the details of the story."

Part or fiction, the story of *The War* is gripping and darkly powerful. Marguerite, the heroine, waits for her husband to return, imagining that he is dead, fuses down in a ditch, suggests feeding on his flesh. Her friends make her work with soldiers, but Marguerite, terrified, cannot act. Soon, half-dead herself, she must struggle to lift herself from bed. As Duras weaves from past to present tense, the intensity of the writing is magnificent.

Marguerite makes the reception entries for returning prisoners of war—naming the smugly of the bourgeois women, volunteers who patronize the returning soldiers as "the poor boys" and speak to one another as though they were in a drawing room. And Duras paints a precise portrait of Gen. Charles de Gaulle and the other Resistance politicians, their ambition blinding them to the pain of those who continue to wait. But the book's most

breath-taking achievement comes with the author's description of Robert L.'s scars as a wasted semicircle of 82 pounds: "You could see the vertebrae through [his neck], the costal arteries, the nerves, the pharynx, and the blood passing through the skin had become like cigarette paper."

Two of the book's other stories, *Albert of the Capitols* and *For of the Mithras*, are less successful. Still, those tales of self-appointed vigilantes purging French Nazi collaborators are of interest for what they reveal of the brutality of the Resistance itself. At times, the collection's self-conscious and undisciplined mix of truth and imagination is mildly annoying. But Duras remains a contemporary master of intense, spare, close-to-the-bone narrative.

—ERIN PARKS





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ART

A magician entranced by reality

The change of disheveled metal perch in the elegiac gallery into a burlesque of second-rate work in a furious, desperate effort to stave off defeat. By contrast, the elderly Miró worked with a sweet, deft-fingered power. As a result, Miró in Montreal has a verve

But the resemblance stops there. The aged Picasso charmed out a burlesque of second-rate work in a furious, desperate effort to stave off defeat. By contrast, the elderly Miró worked with a sweet, deft-fingered power. As a result, Miró in Montreal has a verve

Not all of Miró's sculptures derive from nature. Some are purely abstract, he painted a few of his best-known works with purely colors. He also created works that were very tributes to the debris of civilization—a tap, a table, a stool. The resulting pieces have

the flamboyant, poignant wit of a family of eleven. The best of his biographies, sketches and aquatints are as vibrant as his painted sculptures. Eighty-one of them, along with a big wooden tapestry, line the gallery. Although they contain many of the same motifs as his sculptures—basks, whorls, ancient moons—their effect is less rooted in nature, more fantastical. Often, his prints suggest the conclusions of a painting dream. Almost all of them pulse with color.

Miró was a lover of the brilliant Mediterranean life. In many of Miró's prints, color seems to take precedence over mass, motion over stillness. Even his heaviest sculptures seldom give an impression of repose. His world, like that of a conjurer, is ready to be transformed. The humor and strange serenity of the bronzes dispel any sense of the grotesque. Miró's sculptures do not assume. Like a pebble or a wind-battered tree, they exist on their own terms.

Those terms are personal, site. "What is important," Miró once wrote, "is to bare one's soul, to breathe and pebble, to wake, lose an exchange of blood, a total embrace, without presence, without protection." Although his work clearly demonstrates the influence of Marcel Duchamp and the French surrealists, he had none of Duchamp's intellectual self-consciousness. The free flow of imagination nurtured more to him than all the theories in the world. Miró was a liberated, liberating artist, a creator who never forgot that all artistic work begins and ends as play. To walk through four large rooms of his art is to rediscover the lost gift of play.

—MARK ARLEN



The Pea-Soupier: painting is the making here—a total embrace

and exhilaration that the much-maligned Picasso show lacked.

The freshness of many of Miró's sculptures arises in part from the way they transform natural images and forms. The artist once wrote that he suspended painting with color and sculpture with the countryside. Birds, insects, eggs and other small objects from nature often become the baroque basis for bronzes of remarkable spontaneity. Many of them have a scuffed, skewed look, as though nature had nudged their gleaming joints. "For me, an object is alive," Miró wrote in a 1969 article. "I see a tree, I get a shock, as if it were something breathing, talking."

Miró in Montreal contains 90 of the sculptures he produced for the Fondation Maeght, a private museum and publishing house in southern France. Everything included in the exhibition was created by Miró at or after the age of 55. In that, the show resembles last year's highly profitable Picasso exhibition, in which the Montreal Museum of Fine Arts also showcased many of the works of a great Spanish artist in his old age. There is one further connection: Picasso's widow, Jacqueline, helped convince the Fondation Maeght to lend Miró's art to Montreal.

PISSO: COURTESY OF THE FONDATION MAEGHT; MIRÓ: COURTESY OF THE MUSEUM OF MODERN ART

A courtship in the courtroom

LEGAL EAGLES
Directed by Ivan Reitman

In a summer when success parade music-based comedies and tense thrillers, finding sophistication at the movies is the stumbling into an oasis. One such film is *Legal Eagles*. Although as a thriller it is more good-natured than it is absorbing, it offers a sleek mixture of romantic comedy and mystery. The story focuses on a small-time lawyer, Laura Kelly (Debra Winger), and an assistant district attorney, Tom Logan (Robert Redford). Laura convinces Tom that he should speak with her client, Chelsea Dearden

press them to drop the case, it is clear that the two will attract each other the way classic opposites traditionally do. Tom is a golden-haired hero whose career as far has been brilliant, and he is a leading candidate to become one of Manhattan's district attorneys. By contrast, Laura's legal methods are unorthodox at best. She is infamous on legal circles for once having tried to put a dog on the witness stand. Judges cringe at her appearance, and one even reminds her, as she bursts into the courtroom, that it is his birthday—and would she please not spoil it.

But romance, at least in the movies, thrives on personality clashes and on

furniture as the stratified Tom. But the movie belongs to Winger. With her large, expressive eyes, she has the same direct, open quality of the great female movie comedies of the 1940s. Always natural, she possesses a treasure trove of smiles ranging from the rakish-chic to the genuinely disappointed. It is a shame that the script of *Legal Eagles* offers so little background on her character. And it is a pity that the mystery plot, which includes three spectacular configurations, sometimes gets in the way of the comedy.

Still, the film is stylish, with clean, fluid direction from Reitman. The Canadian producer-director shows much



Menahem and Winger; Redford (right): from *Legal Eagles* and tap dancing to spectacular configurations

[Gary Hanger], before he starts prosecuting her for stealing one of her dead father's famous paintings. The painting—supposedly destroyed in a fire which killed the artist during Chelsea's eighth birthday party—has reappeared in the possession of Taft (Therese Stump), the owner of a stylish Manhattan art gallery. He has acquired the Dearden from a fascinator (John McMartin) and former associate of the deceased investigating together, Laura and Tom eventually uncover art romance fraud—and murder.

Although the plot of *Legal Eagles* is complicated and its lines even modified, the relationship between the two lawyers seduces the audience's attention. From the moment that Laura begins to

the participants' struggle to find any sense they may have in common. For the two lawyers in question, their similarities are loneliness—Tom is divorced and Laura is unattached—workaholic and chronic insomnia. In the movie's sweetest comic sequence, director Ivan Reitman juxtaposes scenes of the two lone professionals during their nights of unrest. Tom tries tap dancing, riding a bicycle through an apartment and watching Gene Kelly on television dancing to *Steam Heat* in the Room. Meanwhile, Laura drinks wine and reads as each trustee in women crowded with huge helpings of mustard. Clearly, these two loners will soon come together.

Reitman gives a relaxed, genial per-

sonality with both cameras and actors, that he has in such previous films as *National Lampoon's Animal House* and *Ghostbusters*. Reitman is particularly successful with the movie's set pieces—such scenes as Tom and Laura trapped inside an art warehouse about to explode, or Laura, who has never driven a car before, recklessly taking Tom as her co-pilot—on foot, after a killer, or the climactic chase inside an art gallery.

But the movie's steadiest heat comes from the accelerating romance between Redford and Winger. Ultimately, they produce the sparks that set *Legal Eagles* alight.

—LAWRENCE STOLLE



Giffels, Steve McQueen, Goodwood in *Arms*: debunking romantic ideas about war

THEATRE

Conquest and corruption

ARMS AND THE MAN
By George Bernard Shaw
Directed by Leon Mager

When George Bernard Shaw's *Arms and the Man* first appeared in 1904, its humorous debunking of romantic ideals in love and war had considerable bite. But two world wars and several generations of writers attacking the same targets have made *Arms*'s satire somewhat dated. It now takes a particularly daring director to make the play more than a lightweight amusement. Leon Mager has taken the major route in his production of the Shaw Festival in Magnesia-on-the-Lake, Ont., spring for laughs without insight.

Set in 1880, *Arms* takes place against the backdrop of a war between Bulgaria and Serbia. Raina Petkoff (Doreen Goodhead) is secretly waiting for her fiancé, Major Sergius Strawinski (Jim Meany), to return from a successful campaign in which he has led a supposedly heroic cavalry charge. Meanwhile, Capt. Bluntschli (Andrew Giffels), a fleeing Swiss mercenary who has been from the Serbs, takes refuge in Raina's bedroom. Raina soon learns from his persnickiness and eventually falls in love with him—but not before he has thoroughly eroded her exalted notions of romance and military glory.

The character of the pragmatic Bluntschli is pivotal in Shaw's tale. But Andrew Giffels seems completely disarmed by the part, covering his uncertainty with a flat-toned delivery that makes him sound like an automaton. Without a strong Bluntschli to play against, even Goodhead's considerable talents sometimes waver. The production contains great fun, and Michael Levine's summary acts are lively—but the play of Shaw's vision gets lost amid the laughter.

—JOHN BERNARD

THE RESISTIBLE RISK OF ARTHUR UI
By Arthur Hays Sulzberger
Directed by Tom Kerr

MACHETH
By William Shakespeare
Directed by Tom Kerr

Brecht's *The Resistible Risk of Arthur UI* and Shakespeare's *Macheth* have much in common. Both plays are about shrewd men who murder and die their way to political dominance. The similarities are apparent in two productions by Ontario's Stratford Festival Young Company, which consists of 35 novice classical actors from across Canada.

Traditionally, they have compensated for their inexperience with vitality. But despite some strong individual performances, the company fails to give either production a strong emotional impact.

The *Resistible Risk of Arthur UI* was a good choice for the young Company. Brecht's parable of the rise of Hitler—he is portrayed as a petty Chicago gangster—demands an energy verging on hysteria. The drama is also rich in caricatures, and few are better at mimicking the old than the young. Maurice Godin creates a fascinating UI, skillfully managing the gang leader's transformation from a neurotic headliner to the rising tyrant of all Chicago—a figure reminiscent of the historic Hitler of the main rallies. Godin is also the surprise star of *Macheth*, playing the part in the famous gate-opening scene. Although he is on the stage for only a few minutes, his comic abilities are already so well developed that he upstages the entire cast. Jerry Blinnie also shows flashes of real authority in his playing of the title role. The two actors demonstrate their ability to follow in the footsteps of other Young Company alumni, including Colin Firth, who have graduated to the senior ensemble. Talents such as theirs are helping to refurbish Stratford's tarnished fortunes.

—JEB

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *A Perfect Spy*, by Gerald (3)
- 2 *The Bone Machine*, Andrew (3)
- 3 *FE Take Manhattan*, Kravitz (3)
- 4 *Power of the Sword*, Smith (3)
- 5 *Lie Down with Lions*, Follett (3)
- 6 *Land of the Dead*, C. Moore (3)
- 7 *The Eighth Commandment*, Seidler (3)
- 8 *The Manchurian Book*, Auel (3)
- 9 *The Handmaid's Tale*, Atwood (3)
- 10 *Shogun Gate*, Grech

Nonfiction

- 1 *Footnote*, Gentry (1)
- 2 *Fit for Life*, Diamond and Diamond (2)
- 3 *The Execution Book*, Kravitz (2)
- 4 *999 Best Companies to Work for in Canada*, Jones, Perry & Jones (2)
- 5 *Enter Talmud*, Rivers with Margolis (2)
- 6 *One-Eyed Jacks*, Graham (2)
- 7 *Callaghan*, Panchang with Blum (2)
- 8 *Giving for Life*, Krum (2)
- 9 *Isaacson*, Isaacson with Morav (2)
- 10 *Wells & Edward Letters 1921-1935*, edited by Black

1) *Position best work*

The prudes are in full swing

By Allan Fotheringham

So here we go again. The Gracys are loose again, on both sides of the border. The prudes of politics are in full swing, hobnobbing their skirts up as they sprint onto the past, their grim mouths pursed in self-righteousness. In Ottawa, there is the enigmatic figure of John Crosbie, vowing to return his nation to the values of the 1940s—or beyond. In Washington, there is Edwin Meese, who thought to be the most dangerous man in America, whose idea of fighting pornography is to ban Playboy. The forces of repression are back with us. The conservatives of the continent are going to take us back to Gums and Harriet and twin beds.

They've been hiding their time. The conservative governments of Canada and the United States seem to think their mandate includes turning back the clock when it comes to how you and I think, when it comes to sex. Neither one of them can believe a badger, but I they somehow lack the business in back in the bedrooms.

One can understand this with Meese, who, as attorney general of the United States, has launched a war on pornography. He is Ronald Reagan's hit man, who arrived with the President from California and, among other things, is trying to pick the Supreme Court with right wingers. He is a handsome devil, who was just barely confirmed in his position after a long fight, and seems to feel that pornography is the written word. His "war" has already resulted in one store chain, 3-Eleven, banning Playboy from the shelves. Today Playboy, next week it will be Cosmo in the Eye, then Playboy Road, with Margaret Laurence to follow. It's the familiar path appeal to the votes of the woolies and the mouth breathers, and has everything from Tom Jones and Moll Flanders on down. There's always been a book-burning conservatism and you don't have to trust me to try it.

What is more outrageous in general

John Crosbie, as minister of justice, going along with some of the neo-fundamentalists who speak the Tory lack berches with some army strength, new that the party is weakened by that cowardly and potentially cowardly majority of 228 seats. The neo-conservatism he has brought down "to light porn" would take us back to the time when you had to keep one foot on the floor in amorous movie scenes. Crosbie's proposed law on what could not be shown on the screen or television set includes everything down to dull old heterosexual sex, which sure-



ly doesn't even bother law graduates from Newfoundland. We don't know what goes on out on The Rock (especially at exclusive fishing clubs on Saturday night), but by the sweeping nature of Crosbie's new morality you get the impression it was populated by the stork. A number of people have remarked on how Crosbie himself seems to have lost his sense of humor, since having his free-flowing tongue curbed by the Mulroney team, and this latest super seems to indicate that he has given up completely to the Bible-thumpers as censors who feel that, more important than stereotypes and shakers, is that we bring back the censor who gave us such realistic portrayals of life as Doris Day.

But the Republicans of Washington and the Conservatives of Ottawa think they were elected to power by a needed attack on women who thought the world started heading for perdition the moment when Deborah Kerr and Burt Lancaster, in *From Here to*

Eternity, grappled in the surf, both wearing their bathing suits. The crushing waves ended that erotically-tinted scene and Crosbie's fans—and Meese's fans—want those thundering waves to wash out the past. Let's go back to Jane Fonda and Jane Powell and Kathryn Grayson and Pat Boone with his white socks. There's nothing quite like believing you can bring back yesterday and, well, isn't that what conservatives are for?

What is so ludicrous is that the real pornography, the real obscenity, marches on unopposed by our new guardians of virtue. The sickening slaughter of the Sylvester Stallone genre, as in *Raw* and the current *Cobra*, has made him one of the highest paid movie stars in the world. Killing is okay, purified killing is even more so, but sex is somehow bad. The muscleman Arnold Schwarzenegger, who one thought must have some intelligence since he was just chosen as husband by a Kennedy clone—TV hostess Maria Shriver—turns out to have no taste or intelligence at all by starring in yet another Stallone-copy machine-gun actioner called *Raw Deal*. If Meese isn't satisfied, he's got to get Playboy.

We have all this silly nonsense of Meese, Vice, postal inspectors and designer beads, but none and fast cars, which is supposed to dispense the fact that people get grazed down and it is all okay because the gettens are—like, let's forgive all this—deserved properly.

The belief that pornography and obscenity are limited to sex links the New Puritans above and below the border. You can buy a gun at your corner store in the United States—but the censors of Meese and friends is to prevent your buying some magazines and books. They're not as much afraid of sex as they are afraid of these people who Fred Gums and Harriet and the myth that everyone slept in twin beds. These people are called wimps, and that is what Meese (and the people pushing Crosbie) are really trying to crush.



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